

**GREENLAM RUS LLC**

(Incorporated in Russia)

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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**C O N T E N T S**

	<b><u>Page</u></b>
<b>Directors' Statement</b>	<b>1 - 2</b>
<b>Statement of Financial Position</b>	<b>3</b>
<b>Statement of Comprehensive Income</b>	<b>4</b>
<b>Statement of Changes in Equity</b>	<b>5</b>
<b>Statement of Cash Flows</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7 – 20</b>

## **DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2023 and the statement of financial position of the Company as at 31<sup>st</sup> March 2023.

We, the directors of **GREENLAM RUS LLC**, hereby state that;

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 3 to 20 are drawn up so as to give a true and fair view of the financial position of the Company as at 31<sup>st</sup> March 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (c) management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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 directors' responsibilities include overseeing the Company's financial reporting process.

## **DIRECTORS**

The director of the Company in office at the date of this statement are as follows:

Mr. Aleksandr Mokrov

## **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

## **DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

- a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

(No. of ordinary shares)	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31st March 2023	At 1st April 2022 or date of appointment if later	At 31st March 2023	At 1st April 2022 or date of appointment if later
<u>Greenlam RUS LLC</u>				
Aleksandr Mokrov	-	-	-	-
	-	-	-	-
	-	-	-	-

Except as disclosed in this report, no director who held office at the end of financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

- b) The directors' interest in the ordinary shares of the Company as at ..... were the same as those as at 31<sup>st</sup> March 2023.

DIRECTORS' STATEMENT (CONT'D)

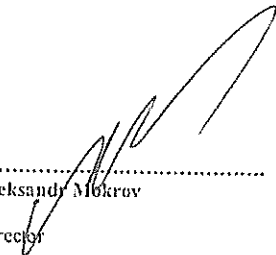
SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

On behalf of the Board



.....  
Aleksandr Mikhov  
Director

Place: Moscow.

Date: 28th April 2023

STATEMENT OF FINANCIAL POSITION  
AS AT 31<sup>ST</sup> MARCH 2023

	<u>Note</u>	<u>2023</u> <u>RUB</u>	<u>2022</u> <u>RUB</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	5	-	-
Right-of-use assets	6	368,600	-
Deferred Tax Asset	11	231,591	103,214
		<u>600,191</u>	<u>103,214</u>
<b>Current assets</b>			
Inventories	8	-	-
Cash and cash equivalents	7	6,693,425	2,319,751
Trade and other receivables	9	537,398	2,734,990
		<u>7,230,823</u>	<u>5,054,741</u>
		<u>7,831,014</u>	<u>5,157,955</u>
<b>Total assets</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	2,059,613	2,221,038
Lease Liability	6	148,212	-
Provision for taxation	12	160,104	59,227
		<u>2,367,929</u>	<u>2,280,265</u>
<b>Non-current liabilities</b>			
Lease liability	6	213,122	-
Deferred tax liability	11	-	-
		<u>213,122</u>	<u>-</u>
<b>Total Liabilities</b>			
		<u>2,581,051</u>	<u>2,280,265</u>
<b>NET ASSETS</b>			
		<u>5,249,963</u>	<u>2,877,690</u>
<b>EQUITY</b>			
<i>Capital and reserves attributable to equity holders of the Company</i>			
Share Capital	4	1,900,000	1,900,000
Accumulated profits		3,349,963	977,690
Currency translation reserves		-	-
<b>TOTAL EQUITY &amp; RESERVES</b>			
		<u>5,249,963</u>	<u>2,877,690</u>

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

	<u>Note</u>	<u>2023</u> <u>RUB</u>	<u>2022</u> <u>RUB</u>
Revenue	13	-	-
Cost of Revenue	14	-	-
Gross profit		-	-
Other income	15	13,937,926	11,527,878
		13,937,926	11,527,878
Less :			
- Admin & Other Operating expenses	17	4,354,397	4,786,809
- Employee Benefit expenses	16	6,256,111	5,936,068
- Depreciation	6	210,628	-
		10,821,136	10,722,877
Profit from operations		3,116,790	805,001
Less : Finance costs		27,447	-
Profit before tax		3,089,343	805,001
Income tax (expense)	12	(845,447)	(269,919)
Deferred tax	11	128,377	10,139
Profit after tax		2,372,273	545,221
Profit / (loss) from discontinued operations		-	-
<b>Total Income</b>		<b>2,372,273</b>	<b>545,221</b>
<u>Other comprehensive income:</u>			
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income, net of tax			
<b>Total Comprehensive income</b>		<b>2,372,273</b>	<b>545,221</b>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

	Attributable to equity holders of the Company		
	<u>Share Capital</u> RUB	<u>Accumulated Profit</u> RUB	<u>Total Equity</u> RUB
Capital introduced - 2020	1,900,000	-	1,900,000
Dividend paid during the year	-	-	-
Total comprehensive income	-	432,469	432,469
Balance as at 31st March 2021	1,900,000	432,469	2,332,469
Total comprehensive income	-	545,221	545,221
Balance as at 31st March 2022	1,900,000	977,690	2,877,690
Total comprehensive income	-	2,372,273	2,372,273
<b>Balance as at 31st March 2023</b>	<b>1,900,000</b>	<b>3,349,963</b>	<b>5,249,963</b>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

	<u>Note</u>	<u>2023</u> <u>RUB</u>	<u>2022</u> <u>RUB</u>
<u>Cash flows from operating activities</u>			
Profit before tax		3,089,343	805,001
Adjustments for:			
- Depreciation	6	210,628	-
- Translation Difference on Lease Asset/Liability	6	(53,309)	
- Lease Interest	6	27,447	
		<u>3,274,109</u>	<u>805,001</u>
Change in working capital:			
- Trade and other receivables	8	2,197,592	(256,104)
- Change in inventory		-	-
- Other current assets		-	-
- Trade & other payable	9	(161,425)	26,612
		<u>2,036,167</u>	<u>(229,492)</u>
Cash generated from operations		5,310,276	575,509
Income tax paid	12	(744,570)	(465,914)
Net cash generated from operating activities		<u>4,565,706</u>	<u>109,595</u>
<u>Cash flows from investing activities</u>			
Additions to property, plant and equipment	5	-	-
Disposal of fixed assets		-	-
Net cash (used in) investing activities		<u>-</u>	<u>-</u>
<u>Cash flows from financing activities</u>			
- Repayment of lease liability [Principle]	6	(164,585)	
- Repayment of lease liability [Interest]	6	(27,447)	-
Net cash (used in) financing activities		<u>(192,032)</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>4,373,674</u>	<u>109,595</u>
Cash and cash equivalents at beginning of the financial year		<u>2,319,751</u>	<u>2,210,156</u>
Cash and cash equivalents at end of the financial year	7	<u>6,693,425</u>	<u>2,319,751</u>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements)

**1. General information**

GREENLAM RUS LLC is a Company Incorporated in Russia with its office at 1st Floor, Room 3, 1, Kazachiy Avenue, Building, 7, 119017 Moscow (Russia)

The principal activities of the company are to act as an agent for its holding company to generate sales of high pressure laminates in the building materials and construction industry.

There have been no significant changes in the nature of these activities during the financial year.

**2. Significant Accounting Policies****2.1 Basis of preparation**

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

*Interpretations and amendments to published standards effective in 2022-23*

On 1<sup>st</sup> April 2022, the Company adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

The following are the new or amended Standards and Interpretations that are not yet applicable, but may be early adopted for the current financial year.

- 1 January 2022 Amendments to:
- IFRS 3 Business Combinations (Reference to the Conceptual Framework)
  - IFRS 16 Property, Plant and Equipment (Proceeds before Intended Use)
  - IFRS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

**2.2 Leases***(i) When the Company is the lessee:*

At the inception of the contract, the Company assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within 'Property, plant and equipment' or as a separate line item on the statement of financial position. Right-of-use asset which meets the definition of an investment property is presented within 'Investment properties' and accounted for accordingly.

- Lease liability

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

## 2. Significant Accounting Policies (Cont'd)

### 2.2 Leases (cont'd)

#### (i) When the Company is the lessee (cont'd):

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non- lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be re-measure when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### • Short term and low value leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

#### • Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

### 2.3 Revenue recognition

Revenue is recognised when control of the products has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

### 2.4 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

## 2.5 Property, plant and equipment

## (a) Measurement

## (i) Land and Buildings

Land and buildings are initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognized in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognized in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognized in other comprehensive income. All other decreases in carrying amounts are recognized in profit or loss.

## (ii) Other property, plant and equipment

All other items of other property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

## (iii) Component of costs

The cost of an item of plant and equipment initially recognized includes its purchase price and any cost that is 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.

## (b) Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Motor vehicles	8 years	Office equipment	3 years
Furniture & Fittings	3 years		

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

## (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in profit or loss when incurred.

## (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss within "Other gains/losses – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

## 2.6 Financial assets

## (a) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

## (i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

Amortized cost:

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

FVOCI:

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognized in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognized using the effective interest rate method and presented in "interest income".

FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortized cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognized in profit or loss in the period in which it arises and presented in "other gains and losses".

## (ii) Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognized in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Company has elected to recognize changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognized in profit or loss as "dividend income".

## (b) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

## (c) Recognition &amp; Derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognized in profit or loss if there was no election made to recognize fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognized in other comprehensive income and transferred to retained profits along with the amount previously recognized in other comprehensive income relating to that

asset. Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously

2.7 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans.

Financial liabilities are recognized on the Statement of Financial Position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are represented as non-current liabilities. Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

2.8 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognized in accordance with the principles of IFRS 15; and
- (b) the amount of expected loss computed using the impairment methodology under IFRS 9.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities. Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

2.10 Impairment of non- financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognized in profit or loss.

2.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. However, goods-in-transit due to its very nature is presented at cost. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Cost also includes any gains or losses on

qualifying cash flow hedges of foreign currency purchases of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

## 2.12 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognized as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognized for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilized.

## 2.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which is probable of resulting in a future outflow of economic benefits that can be measured reliably.

## 2.14 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## 2.15 Employee Compensation

Employee benefits are recognized as an expense unless the cost qualifies to be capitalized as an asset.

### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

### (b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Company is terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing the offer of those benefits; and (b) when the Company recognizes costs for a restructuring and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**2. Significant accounting policies (cont'd)****2.16 Currency Translation****(a) Functional and presentation currency**

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional and presentation currency Russian Rubles.

**(b) Transactions and balances**

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognized in profit or loss.

**2.17 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents

**2.18 Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

**2.19 Share capital & dividends**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

**3. Critical accounting estimates, assumptions and judgments**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical accounting estimates and assumptions & Key Sources of estimation uncertainty****(a) Provision for expected credit loss (ECL's) of trade receivables**

Based on the Company's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Company has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately.

**(c) Critical judgement over the lease terms**

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

The Company considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions. The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

## 4. Share capital

	Company	
	Ordinary shares No's.	Amount RUB
<b>As at 31 March 2023</b>		
Beginning of the financial year	1,900,000	1,900,000
Shares issued during the year	-	-
End of the financial year	<u>1,900,000</u>	<u>1,900,000</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and a right to receive dividends as and when declared by the Company. The Company is not exposed to any externally imposed capital requirements and there are no restrictions to issue shares.

## 5. Property, plant and equipment

Company	Computers	Furniture & Fittings	Office Equipment	Motor Vehicles	Total
	RUB	RUB	RUB	RUB	RUB
<b>Cost</b>					
Balance as at 31 <sup>st</sup> March 2022	-	-	-	-	-
Additions					
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2023					
<b>Accumulated depreciation</b>					
Balance as at 31 <sup>st</sup> March 2022	-	-	-	-	-
Depreciation charge	-	-	-	-	-
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Translation difference	-	-	-	-	-
Balance as at 31 <sup>st</sup> March 2023					
<b>Net book value</b>					
As at 31 <sup>st</sup> March 2023	-	-	-	-	-

6. Right-of-use assets  
(on adoption of IFRS 16)

	2023 RUB	2022 RUB
Beginning of the financial year	-	-
Recognized/(derecognized) during the year	610,823	-
Depreciation charge	(210,628)	-
Forex adjustments gain / (loss)	(31,595)	-
	<u>368,600</u>	<u>-</u>

Right-of-use of assets acquired under leasing arrangements of the same class of assets are presented in line with SFRS 116.

**Lease liability**  
(on adoption of IFRS 16)

	2023 RUB	2022 RUB
Beginning of the financial year	-	-
Recognized/(derecognized) during the year	610,823	-
Interest	27,447	-
Repayment of principle	(192,032)	-
Forex adjustments gain / (loss)	(84,904)	-
	<u>361,334</u>	<u>-</u>

*Represented by:*

<i>Current</i>	148,212	-
<i>Non- Current</i>	213,122	-
<b>Total</b>	<b>363,134</b>	<b>-</b>

**7. Cash and cash equivalents**

	<u>2023</u> RUB	<u>2022</u> RUB
Cash in hand	-	-
Cash at bank	6,693,425	2,319,751
Cash & cash equivalents per SOCF	<b>6,693,425</b>	<b>2,319,751</b>

The cash and cash equivalents approximate its fair value as on the statement of financial position date and are denominated in the following currencies: -

	<u>2023</u> RUB	<u>2022</u> RUB
Russian Ruble	6,693,425	2,319,751
Others	-	-
	<b>6,693,425</b>	<b>2,319,751</b>

**8. Inventories**

	<u>2023</u> RUB	<u>2022</u> RUB
Finished goods [at cost]	-	-
Goods-in-transit [at cost]	-	-
	<b>-</b>	<b>-</b>

Inventories are valued at lower of the weighted average cost and net realizable value and approximate its fair value as on the date of statement of financial position.

**9. Trade and other receivables**

	<u>2023</u> RUB	<u>2022</u> RUB
<i>Trade receivables:</i>		
- Third parties	-	-
- Related parties (subsidiaries)	-	-
	-	-
Less: - Provision for doubtful debts		
Beginning of the year	-	-
Current year provision	-	-
Reversal of provision / written back	-	-
Balance at the end of the year	-	-
<i>Other receivables:</i>		
<i>Deposits:</i>		
- Rental	-	-
- Others	-	-
Prepayments	154,507	21,214
<i>Advances:</i>		
- Staff advances	377,214	-
- Advance to vendors	1,677	622,246
- Other advances	-	-
VAT receivables	4,000	-
Amount due from Related Party	-	2,091,530
<b>Total trade &amp; other receivables</b>	<b>537,398</b>	<b>2,734,990</b>

The credit period of trade receivables is 30-180 days. The trade and other receivables approximate its fair value as on balance sheet date and are denominated in following currencies: -

	<u>2023</u> RUB	<u>2022</u> RUB
Russian Ruble	537,398	2,734,990
USD & Others	-	-
	<b>537,398</b>	<b>2,734,990</b>

**10. Trade and other payables**

	<u>2023</u> RUB	<u>2022</u> RUB
<i>Trade payables</i>		
-Third parties	-	-
-Related parties	-	-
	-	-
<i>Other payables:</i>		
Accruals	1,165,223	621,602
Advance received from customers	-	-
Insurance	105,700	-
Other creditors	40,000	746,038
Payable to staff	166,091	207,383
Withholding Tax	24,818	45,500
VAT payable	557,781	600,515
	-	-
<b>Total trade &amp; other payables</b>	<b>2,059,613</b>	<b>2,221,038</b>

The average credit period of trade creditors is 30 - 180 days. The trade and other payables approximate its fair value as at the date of statement financial position and are denominated in following currencies: -

**11. Deferred tax asset / (liability)**

	<u>2023</u> RUB	<u>2022</u> RUB
Balance at the beginning	103,214	93,075
Current year (charge) / reversal	128,377	10,139
Forex adjustments	-	-
Balance at 31 <sup>st</sup> March	<b>231,591</b>	<b>103,214</b>

**12. Income tax**

	<u>2023</u> RUB	<u>2022</u> RUB
Balance at the beginning	59,227	255,222
Current tax expense	845,447	269,919
Forex adjustments	-	-
Prior year under provision	-	-
Income tax (paid)	(744,570)	(465,914)
Balance as at 31 <sup>st</sup> March	<b>160,104</b>	<b>59,227</b>

**13. Revenue**

	<u>2023</u> RUB	<u>2022</u> RUB
Sale of goods	-	-

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognized when the entity has transferred the control over goods upon satisfaction of performance obligations to the buyer. The revenue is recognized upon successful satisfaction of performance obligation as per 'IFRS 15 – Revenue from contracts with customers.'

**14. Cost of revenue**

	<u>2023</u> RUB	<u>2022</u> RUB
Purchase of goods & other direct costs [includes change in inventory, purchases, freight & other incidental costs]	-	-

## 15. Other income

	<u>2023</u> RUB	<u>2022</u> RUB
Miscellaneous income	-	-
Commission on sales	2,452,971	943,836
Reimbursement of expenses	11,339,218	10,584,042
Foreign currency Gain	145,737	-
Government grants	-	-
Interest income	-	-
	<u>13,937,926</u>	<u>11,527,878</u>

## 16. Employee benefit expenses

<u>Staff Cost</u>	<u>2023</u> RUB	<u>2022</u> RUB
- Salaries, bonus & allowances	-	-
- Contribution to defined plans	-	-
- Other benefits	-	-
	<u>-</u>	<u>-</u>
<u>Key Management Personnel</u>		
- Salaries, bonus, fee & allowances	4,737,471	4,680,000
- Contribution to defined plans	869,488	1,256,068
- Other benefits	649,152	-
	<u>6,256,111</u>	<u>5,936,068</u>
	<u>6,256,111</u>	<u>5,936,068</u>

## 17. Admin &amp; other operating expenses

	<u>2023</u> RUB	<u>2022</u> RUB
Rates & taxes	-	1,645
Printing & stationery	-	-
Postage & telephone	572	14,725
Travelling expenses	573,189	458,442
Conveyance	-	-
Electricity charges	-	-
Legal & professional fees	1,347,628	2,055,530
Vehicle expenses	-	-
Commission	-	-
Membership fee	-	-
Bank charges	406,365	300,911
Auditors' remuneration	-	-
Retainer fee	-	-
Sales promotion expenses	-	205,000
Repairs & maintenance	-	-
General expenses	2,026,643	1,750,556
Rebates & claims	-	-
License fee	-	-
Unrealised forex loss / (gain)	-	-
Realised forex loss / (gain)	-	-
Consultancy fee	-	-
	<u>4,354,397</u>	<u>4,786,809</u>

## 18. Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

<u>I. Holding company:</u>	<u>2023</u> US\$	<u>2022</u> US\$
<i>Greenlam Industries Ltd.</i>		
Commission on Sales Generated	2,452,971	943,836
-Reimbursement of expenses	11,339,218	10,584,042
-Amount due from Ultimate Holding Company	-	2,091,530

**19. Financial risk management***Financial risk factors*

The Company's activities expose it to market risk (including currency risk, interest rate risk, etc.), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effects from the unpredictability of financial markets on the Company's financial performance. The management continuously monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

**19.1 Market risk****(a) Currency risk**

The Company has limited exposure to foreign currency risk as part of its normal business. The functional currency of the Company is in Rubbles.

The Company's currency exposure based on the information provided by key management is as follows:

<u>At 31<sup>st</sup> March 2023</u>	<u>RUB &amp; OTHERS</u>	<u>Total</u>
<u>Financial assets:</u>	<u>RUB</u>	<u>RUB</u>
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Total	-	-
<u>Financial liabilities</u>		
Trade and other payables	-	-
Lease liability	-	-
Total	-	-
Total	-	-

**Foreign currency sensitivity**

If the relevant foreign currency changes against RUB by 10%, with all other variables including tax rate being held constant, the effects arising from the financial asset/liability position will be as follows: -

If the foreign currency *strengthens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity will increase/ (decrease) by:

<u>Company</u>	<u>Financial Assets</u>		<u>Financial liabilities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
(Net of tax at 20%)	<u>RUB</u>	<u>RUB</u>	<u>RUB</u>	<u>RUB</u>
Profit / (loss)	-	-	-	-
other equity	-	-	-	-
	-	-	-	-

If the foreign currency *weakens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity will increase/ (decrease) at the equal amount but opposite effect.

**19.2 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and receivables. For receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history or obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by management. As the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company uses a provision matrix to measure the 12-month expected credit losses and/or lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macro-economic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract 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. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made,

these are recognized in profit or loss. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

The Company's credit risk exposure in relation to trade receivables under IFRS 9 as at *31 March 2023* are set out in the provision matrix as follows:

COMPANY	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	RUB	RUB	RUB	RUB	RUB
Ageing for previous year 2022 (A)	-	-	-	-	-
Bad debts / provision during 2021 (B)	-	-	-	-	-
Credit loss % (C)=(B/A)	-	-	-	-	-
Ageing for current year 2023 (D)					
Credit loss expected in current year {(D x C) or actual provision, whichever is higher}	-	-	-	-	-

The credit risk for trade receivables based on the information provided to key management is as follows: -

	<u>2023</u> RUB	<u>2022</u> RUB
<u>By geographical area:</u>		
Russia	-	-
Others	-	-
	<u>-</u>	<u>-</u>
<u>By types of customers:</u>		
Related parties	-	-
Non-related parties	-	-
	<u>-</u>	<u>-</u>

### 19.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by Company for managing liquidity risk included cash and cash equivalents (Note 6).

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date (contractual and undiscounted cash flows): -

<u>31<sup>st</sup> March 2023</u> <u>Financial Liabilities</u>	Maturity < 1 year RUB	Maturity 2 - 5 years RUB	Total RUB	Applicable Interest Rate Refer #
Lease liability	148,212	213,122	361,334	Note 6
Term loan	-	-	-	-
Contract liability	-	-	-	-
Trade and other payables	2,059,613	-	2,059,613	Note 10
Provision for taxation	160,104	-	160,104	Note 12
Total	<u>2,367,929</u>	<u>213,122</u>	<u>2,581,051</u>	

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Company in accordance with the practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

### 19.4 Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	<u>2023</u>	<u>2022</u>
	<u>RUB</u>	<u>RUB</u>
Net debt	(4,272,478)	(98,713)
Total equity	5,249,963	2,877,690
Total capital	<u>977,485</u>	<u>2,778,977</u>
Gearing ratio	<u>-</u>	<u>-</u>

The Borrowers leverage ratio is calculated as total liability of the Company divided by tangible net worth of the Company.

	<u>2023</u>	<u>2022</u>
	<u>RUB</u>	<u>RUB</u>
Total liability	2,581,051	2,280,265
Tangible net worth	<u>5,249,963</u>	<u>2,877,690</u>
Leverage ratio (times)	<u>0.49</u>	<u>0.79</u>

#### 19.5 Fair value measurements

The following represents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value measurements are not applicable to the Company as there are no financial assets or liabilities of the type of levels 1, 2 or 3 balances exists as at the date of statement of financial position.

#### 20. Subsequent Events and Going Concern

The management is closely monitoring the Company's operations, liquidity and resources and is actively working to minimize the current and future impact of any unprecedented situation or uncertainty which might arise due to global economic conditions. According to the management's assessment, these financial statements do not include any adjustment that might result from the outcome of any such uncertainty and the current COVID-19 pandemic situation does not pose any significant material risk to business operations and going concern status of the Company as of the date of the issuance of these financial statements.

#### 21. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2023 and which the Company has not early adopted.

**IFRS 1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

**IFRS 12 Income taxes:** Deferred Tax related to assets and liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

#### 22. Authorization of financial statements

This financial statement of the Company and Company as at 31<sup>st</sup> March 2023 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of GREENLAM RUS LLC on 28<sup>th</sup> May 2023.