



**TRANSCRIPT
OF
7TH ANNUAL GENERAL MEETING OF GREENLAM INDUSTRIES LIMITED**

Date: August 28, 2020

Time: 11.00 A.M. To 11.45 A.M. IST

Management Participants:

Directors & Key Managerial Personnel:

Mr. Shiv Prakash Mittal, Non-Executive Chairman

Mr. Saurabh Mittal, Managing Director & CEO

Ms. Parul Mittal, Whole-time Director

Mr. Vijay Kumar Chopra, Independent Director

Mr. Sandip Das, Independent Director

Ms. Sonali Bhagwati Dalal, Independent Director

Mr. Ashok Kumar Sharma, Chief Financial Officer

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal

Invites:

Mr. Naveen Aggarwal, Partner of S S Kothari Mehta & Company, Statutory Auditors

Mr. Rupesh Agarwal, Managing Partner of Chandrasekaran Associates, Secretarial Auditor

Mr. Dilip Kumar Sarawagi, Proprietor of DKS & Co, Scrutinizer

**Mr. Prakash
Kumar Biswal:**

Very Good Morning to all of you,

Myself, Prakash Biswal, Company Secretary of Greenlam Industries Limited welcome you all to the 7th Annual General Meeting of the Company.

To comply with the social distancing issued by the concerned authorities, the 7th Annual General Meeting of the Company is being conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM) which is in line with the General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs and SEBI Circular dated 12th May, 2020 in this regard.

For smooth and seamless conduct of the AGM, the audio of the Members will be kept muted and their video will be kept off.

After Chairman Sir completes his deliberations, the shareholders, who have already taken themselves as speaker, will be given opportunity to speak and raise queries, if any. All the queries from shareholders will be answered in one go.

Mr. Rajiv Ranjan of Link Intime (India) Private Limited is the moderator of this Meeting. The moderator will enable the speaker shareholders one by one serially to speak. If any audio/video failure is experienced at the shareholders' end, then the Moderator will invite the next shareholder. Any members who face any technical issue during their turn, may be invited again once the other members complete their speech. Please note that the proceeding of the meeting is being recorded.

Speaker shareholders are requested to keep their place well lightened, noise free and speak loudly through their devices and also requested to limit their speech to 3 minutes.

Should a member experience any technical issue during this 7th AGM they can contact the helpline number given in the Notice.

As per the Article 140 of Articles of Association of the Company, the Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company. The Chairman of the Board Sri Shiv Prakash Mittal Ji is present and accordingly he will preside over the 7th Annual General Meeting of the Company.

As per the attendance, 36 (Thirty Six) members are present and therefore, the Meeting is duly convened, constituted and is in Order.

Now I request Chairman Sir to address the shareholders.

Chairman Sir Please.

Mr. Shiv Prakash Mittal: Good Morning Ladies and Gentlemen

It gives me immense pleasure to welcome you all at the 7th Annual General Meeting of the Company. Let me introduce the board members of the Company;

Mr. Saurabh Mittal, Managing Director & CEO
Ms. Parul Mittal, Whole-time Director
Mr. Vijay Kumar Chopra, Independent Director
Mr. Sandip Das, Independent Director
Ms. Sonali Bhagwati Dalal, Independent Director

We are also joined by;

Mr. Ashok Kumar Sharma, Chief Financial Officer
Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal
Mr. Naveen Agarwal, Partner of S S Kothari Mehta & Company, Statutory Auditors
Mr. Rupesh Agarwal, Managing Partner of Chandrasekaran Associates, Secretarial Auditor
Mr. Dilip Kumar Sarawagi, Proprietor of DKS & Co, Scrutinizer

I am pleased to present performance of Greenlam for the financial year 2019-20. The year under review was one of the most challenging in recent years; we all witnessed the outbreak of the Covid -19 Pandemic towards the end of the financial year and the remedial measures taken by the Government causing severe business disruption. Even prior to that there was no clear sign of economic revival marked by a visibly weaker consumer sentiment and corresponding decline in offtake. Our downstream demand generator, real estate sector, struggled to create interest amongst the buyers; we had to sail through with a very prudent operational and financial discipline.

- During 2019-20, Consolidated Net Revenue stood at Rs. 1321 Crores against Rs. 1280 Crores in the previous year, growth of 3.1%
- Consolidated EBIDTA stood at Rs. 178 crores against Rs. 158 crores in 2018-19, growth of 12.4%
- Consolidated EBIDTA margin stood at 13.5% against 12.4 % in 2018-19, growth of 110 base points.
- Consolidated PAT stood at Rs. 86.7 crores against Rs. 77 crore in 2018-19, growth of 12.4%
- The RoCE and RoE stood at 15.9% and 17.3% respectively.

The performance of the Company during 2019-20 could have been better but for the migration of our ERP from SAP-ECC to SAP S/4 HANA that affected operations during Q1 before the implementation stabilized, as well as a notional revenue loss of Rs. 60 crores in March 2020 due to Covid-19 pandemic.

During 2019-20, your board of directors approved an interim dividend of Rs. 4 per share which has already been paid to the eligible shareholders.

At Greenlam, we have always wanted to build a company that endures across market cycles. During the year under review, we have validated this positioning. The Indian economy grew slower by an estimated 190 base points to 4.2% whereas Greenlam reported profitable growth, indicating that the core of our business remained competitive. Greenlam's receivables cycle reduced to 38 days of turnover, compared to 50 days in the previous year, which was creditable in the prevailing circumstances.

During 2019-20, to strengthen European footprint, we acquired Decolan SA., a distribution and marketing company in Switzerland. The performance of the newly acquired subsidiary has been promising and it is expected to be stabilized going forward.

The Company's US and Singapore subsidiaries started dividend distribution during 2019-20; and the UK subsidiary has shown satisfactory improvement.

Our engineered wooden floorings and engineered wooden door sets businesses reported steady growth in 2019-20. These product categories are maturing and will enable us to generate increased revenues, going forward.

During the financial year 2019-20, your company has operationalized its expanded capacity at its unit situated at Nalagarh, Himachal Pradesh to manufacture an additional 1.6 million laminate sheets per annum. The said expansion has the potential to generate revenue of Rs. 120 crore per annum on full capacity utilization.

During last year, Greenlam unveiled a new collection of Greenlam Laminates comprising 82 new decors and 3 new textures which got very good response for its unique digitally integrated features.

Additionally, your Company has taken up a greenfield project under its newly incorporated subsidiary **Greenlam South Limited** to set up a facility for manufacturing 1.5 million laminate sheet and boards per annum. For this project, APIIC has already allotted land admeasuring 65 acres approx. located in Naidupeta, Nellore in Andhra Pradesh. The investment required to set up

the said manufacturing facility (including the cost of land) is Rs. 175 crore, which is likely to be delayed due to COVID-19 pandemic.

Greenlam believes in giving back to stakeholders to strengthen the fabric of society. Greenlam has been contributing to economic development and improving the quality of life of communities especially around its manufacturing plants, ensuring long-term sustainable change in multiple impact areas. The Company engages in its focus areas of education, health and community well-being. The Company contributed Rs. 1.68 crore in 2019-20 for the development of communities involving above 30,000 beneficiaries.

The Covid-19 pandemic - locked the world down from the last quarter of 2019-20 and well into the first quarter of the current financial year. During Q1 FY 21 we reported a consolidated loss of Rs. 7.2 crore, as April 2020 was a washout and sales for both May and June 2020 was sluggish. Now, with ease of lock-down restrictions a gradual recovery is seen. The Company responded with speed to the loss of business: moderated costs, focused on international sales and re-negotiated vendor agreements. The Company did not avail any moratorium offered by the RBI; it serviced debt obligations as and when due without any delay.

It is evident that our financials for the current year will be affected. However, I must assure shareholders that our priority is to respond with the right balance of optimism and paranoia, question every cost and control working capital. We are at an advantage position due to business disruption challenges faced by the unorganized sector. In this cautious environment, the advantage of brand visibility, product dependability, deep engagements with trade partners, variety of what we offer and our broad-based global presence, empower us to resist the slowdown better than most.

We believe that when the market recovers there will be a greater preference to work with organised brands over unorganised ones, widening the market for companies like ours. We feel that, imports could decline (especially in the engineered wooden flooring and engineered door segments), creating a larger opportunity for world-class, home-grown brands like ours. We believe that in this sectorial churn, local and regional companies could yield ground to large and established brands like Greenlam. Besides, we enjoy relatively modest market shares in a number of countries where we are present, indicating vast growth headroom.

We will leverage the value of our Customer Relationship Management module, strengthening our agility and flexibility. We intend to enhance our CRM platform capability to meet the requirements of OEM and trade business, building an even more robust platform to strengthen our marketing,

building capabilities to develop partner eco-systems and supply chain optimization.

It gives me great pride to inform you regarding a new achievement by Greenlam in developing laminates and compacts **with Anti-Virus attributes**. In view of the present crisis, our in-house R&D team has developed a product with Anti-Virus attributes, to ensure health and hygiene of our customers. Greenlam Laminates, with this new feature, will **retard and kill upto 99.99% viruses** that will come in contact with its surface. With this new development, Greenlam Laminates and Compacts are now being offered with **Triple Advantage health and hygiene** features which are;

- **Anti-Virus**
- **Anti-Bacterial**
- **Anti-Fungal**

These attributes remain effective throughout the life cycle of the product.

You would be glad to know that Greenlam has been recently adjudged as “The Country’s Largest Exporter of Decorative Laminates” by The Plastics Export Promotion Council for the Financial Year 2017- 18 and 2018-19. With this achievement, the Company has made a record of receiving this award for 10 consecutive years starting from 2009-10.

Your Company’s vision is to be a one-stop solution for all decorative surface products in its field of operation. The Company’s pan-India distribution network ensures easy availability of products in almost every part of India. The Company has a presence over 100 countries, either directly or through its subsidiaries.

Your Company’s outlook remains favourable on account of its product integration capabilities, growing brand popularity and the continuous support from its employees, shareholders, bankers, vendors, consumers, distributors and dealers.

I must thank our shareholders, employees, customers, distributors and lenders for their trust and commitment. I am confident that the Company will grow from strength to strength with your unstinted support.

Further, I am interested in the item number 3 & 4 of the notice and accordingly for the transaction of the said agenda I will not chair the meeting.

Thank You,

Now I request Mr. Prakash Kumar Biswal, Company Secretary, to proceed with rest of the proceedings of the meeting. Prakash Ji.

**Mr. Prakash
Kumar Biswal:**

Thank you Chairman Sir.

Now I request the Moderator to invite the speaker shareholder to raise their query, if any.

Moderator:

Thank you Sir, there is no speaker for the event. Mr. Shirpal Singh Mohont has not joined the Meeting till now. So, we can move to the next agenda items.

**Mr. Prakash
Kumar Biswal:**

Okay, Now with the permission of Chair, I will take up the next proceeding of the Meeting.

I would like to inform that;

“The Financial Statements for the financial year ended March 31, 2020 including the Consolidated Financial Statements for the said financial year, and the Reports of the Board of Directors and the Auditors thereon, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 and the Register of Contracts or arrangements in which directors are interested as maintained under Section 189(1) of the Companies Act, 2013 along with the Secretarial Auditors’ Report and other relevant documents are either available on the website of the Company or available electronically for inspection by the members throughout the meeting.”

“The Notice convening the meeting has already been with you. With your permission, I shall take the same as read.”

There is no qualification, observation, comments or other remarks on financial transactions or matters, which have any adverse effect on the functioning of the company mentioned in the report of the Statutory Auditors of the Company, M/s. S S Kothari Mehta and Company and the Secretarial Auditors of the Company, M/s. Chandrasekaran Associates. Therefore, it is not required to read the said Auditors’ reports in the Annual General Meeting.

As already informed, the Meeting is being conducted through Video Conferencing and the Company provided remote e-voting facility to all the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the 7th Annual General Meeting in accordance with the provisions of Section 108 and 109 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The remote e-voting facility were kept open from 10.00 a.m. on August 25, 2020 to 5.00 p.m. on August 27, 2020.

In line with the provisions of Clause 7.1 of SS-2 on General Meetings, proposing and seconding the Resolutions is not required as remote e-voting was commenced before the commencement of the Meeting.

“Further, as per Section 107 and Section 108 of the Companies Act, 2013 read with aforesaid MCA Circulars, there will be no show of hands at the Annual General Meeting. Therefore, in order to enable the members present at the Meeting and who have not availed the facility of remote e-voting, to cast their votes, an electronic voting facility at the AGM has been arranged and voting will be taken in respect of all the businesses contained in the Notice.”

“Mr. Dilip Kumar Sarawagi, Practicing Company Secretary, has been appointed by the Board of Directors as the Scrutinizer, for scrutinizing the remote e-voting and the poll process through e-voting and to give report thereon in the prescribed manner.”

“Now, as advised by the Chairman, I will proceed with the following businesses as set out in the Notice convening the 7th Annual General Meeting for consideration and approval of members.” There are total five businesses in the notice. Item 1, 2 and 3 are Ordinary businesses and Item 4 and 5 are Special businesses.

Ordinary Businesses:

Item No.1.

Consideration and adoption of the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon.

Item No.2.

Confirmation of the Interim Dividend of Rs. 4 per equity shares of Rs. 5 each of the Company as the final dividend for the financial year ended March 31, 2020, which has already been paid to the eligible shareholders.

In the Chairman Sir's speech, Chairman Sir has already informed that, he is interested in the businesses at item number 3 & 4 of the notice and accordingly he will not chair the meeting for those agenda.

So, I request the Directors present to elect anyone amongst themselves to Chair the meeting for transacting the item no. 3 & 4 of the notice.

With the permission of the Members present Mr. Vijay Kumar Chopra, Independent Director of the Company is elected as the Chairman for the item No. 3 and 4.

Mr. Vijay Kumar Chopra:

Thank you Mr. Biswal, You can carry on with the next agenda items.

Mr. Prakash Kumar Biswal:

Thank you so much Sir.

Item No.3.

Re-appointment of Ms. Parul Mittal (DIN: 00348783) as a Director of the Company, who retires by rotation and being eligible offers herself for re-appointment.

Special Business:

Item No.4.

Payment of annual commission to Mr. Shiv Prakash Mittal, (DIN: 00237242) Non-Executive Chairman of the Company for an amount of Rs. 18,00,000/- (excluding applicable taxes thereon), on pro-rata basis of his tenure in any financial year, with effect from the financial year 2019-20.

Now for the rest of the agenda Sri Shiv Prakash Mittal Ji will chair the meeting.
Special Business

Item No.5.

Appointment of Ms. Matangi Gowrishankar, (DIN: 01518137) as an Independent Woman Director of the Company for a term of 5 (five) consecutive years from the conclusion of 7th Annual General Meeting (AGM) till the conclusion of 12th AGM.

“E-voting facility for voting at the AGM provided by the Company shall be open for the members present at the meeting, for 15 minutes from the conclusion of the Meeting.”

“The results of the e-voting and remote e-voting will be announced on receipt of the Scrutinizer’s report and the same will be placed on the Company’s website and will also be sent to the Stock Exchanges. Further, the transcript of the AGM proceedings shall also be uploaded on the website of the Company.”

“As we are approaching the closure of the meeting, I would like to convey hearty thanks to Chairman Sir for sparing his valuable time to conduct the 7th AGM, enlightening various important aspects of the business and prospects of the Company. I would also like to thank Sri Vijay Kumar Chopra Sir for chairing the meeting for the agenda in which regular Chairman is interested.

I would also like to inform you that from the conclusion of Annual General Meeting, Sonali Mams term will come to an end. So, at this point of time, I would request MD Sir to speak few words of appreciation. MD Sir, Please.

Mr. Saurabh Mittal:

I would like to sincerely pay my regards and thanks to Sonali Bhagwati for supporting the Company, since it became an Independent Company, about six years ago. She's played an important role in ensuring new ideas come to the Board, She's provided stability to the Board. She has helped us in doing brain storming of our products, new ideas and designs product development, etc. I think she will be really missed by the Board and I will like to wish her the very best in her future endeavours on behalf of the Board of Greenlam Industries.

Thank you Sonali once again, I sincerely appreciate your contribution.

Mr. Vijay Kumar Chopra:

Thank you Sonali Ji. I think you have been a wonderful Director. One of the earliest to join the Company. Your contribution has been tremendous. You have the core knowledge of the subject in which this Company has been dealing with. Thank You.

Ms. Sonali Bhagwati Dalal:

Thank you everyone. It has been a real pleasure, being on the Board with the team, the co-members, the co-Directors. I have really learnt a lot about many things which I was not completely aware of and its been a real pleasure, its great to see the way Company has grown, the way it has evolved and the way new products has been added and the way it has conducted its business. Its been a very well and nice experience and my very best wishes to Saurabh and the entire team. It has been very nice being here on the Board. Thank you so much.

Mr. Prakash Kumar Biswal:

Thank you Mam for your long association and contribution to the Company.

Now I request Chairman Sir to declare the formal closure of this 7th AGM.

Mr. Shiv Prakash Mittal:

The 7th Annual General Meeting is now concluded.

Thank You Very Much.

Stay Safe and Stay Healthy.