



bettering

**Greenlam Industries Limited**

Annual Report 2020-21

#### 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 non-statutory section are based on consolidated financials unless otherwise stated.

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## The first word

At Greenlam, we march to the tune of a different drummer.

Pursuing continuous improvement.

Seeking opportunities in uncertainty.

Making the good even better.

Raising the benchmark.

Doing more with less.

These attributes are concised in a single word at our company.

*Bettering.*



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

# 5 big messages of this Annual Report

We sold less but earned more by way of margins

We reported a creditable performance in a challenging pandemic-marked year

We protected and built on our Balance Sheet during different phases of the year

We finished the year considerably stronger than when we had started out

We are attractively placed to enhance value going ahead

## What we earned from our business in FY2020-21

129.25

₹ crore, quantum generated from our business\*

\*Profit after tax + Depreciation – Dividend payout

## How we allocated our surplus in FY2020-21

49.91

₹ crore, Capex

140.00

₹ crore, Net Debt Reduction

# Greenlam.

The largest laminate manufacturer in Asia.

Among the three largest laminate brands in the world.

India's largest laminates exporter for ten consecutive years.

An integrated multi-product and multi-surface (interior and exterior) solutions provider.

India's leading decorative veneer brand

India's only engineered wooden flooring manufacturer

India's first organised manufacturer of engineered wooden door sets.

## Background



The Company commenced its business in 1993 with a laminate sheets manufacturing facility at Behror, Rajasthan. Within 28 years, it graduated to the manufacture of compact panels, cladding solutions, restroom cubicle and locker solutions, kitchen solutions, decorative veneers, engineered wooden flooring, staircase solutions and engineered wooden door sets, besides providing a comprehensive range of decorative laminates..

## Management



Greenlam Industries Limited is headed by Mr. Saurabh Mittal (Managing Director & CEO), who possesses more than two decades of rich experience in growing the business of laminates. The Company is professionally managed comprising strong multi-competence teams, helping introduce innovative products and expanding the market footprint. The company employs ~4500 people (including contractual employees).

## Consistent focus on credible financials



Greenlam has focused consistently on de-leveraging its Balance Sheet, strengthening its working capital management and trade terms, increasing the proportion of value-added products and effective cost management. The result is that Greenlam has demonstrated competitiveness across market cycles.

## World-class manufacturing capabilities



Greenlam manufactures products in two state-of-the-art manufacturing facilities at Behror in Rajasthan and Nalagarh in Himachal Pradesh, possessing a manufacturing capacity of 15.62 million laminate sheets per annum. The Behror plant also manufactures melamine-faced chip boards, decorative veneers, engineered wooden flooring and engineered wooden doors.

## Wide and deep distribution presence



Greenlam has strengthened its market presence by providing products proximate to consumer consumption. The Company's products are marketed through 9 large regional distribution centres, 21 branch offices, 5 warehouses and 14000+ distributors and retailers, possibly the largest footprint within the sector in India. The Company's products are also available in more than 100 countries, supported by 4 international distribution centres, 15 international offices, 8 operational overseas subsidiaries and 100+ multi-cultural employees.

## Listing and valuation



Greenlam is listed on the BSE Limited and National Stock Exchange of India Limited. The Company enjoyed a market capitalisation of ₹2262.30 crore as on March 31, 2021 (based on the closing price at National Stock Exchange of India Limited).

## Inculcated sectoral best practices



Greenlam's environment commitment is showcased in confidence-enhancing certifications like FSC, PEFC, ISO 14001 and OHSAS ISO 45001. The Company enjoys product-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.

# Products portfolio

## Decorative Laminate & Allied Products



### Laminates

- Commodity to Premium products

## Veneer & Allied Products



### Decorative Veneer

- Natural Veneer
- Engineered Veneer
- Teak Veneer
- Noirwood Veneer



### Compact Panels

- Standard Compact Panels
- Lab Guardian
- Restroom & Locker Solutions
- Clads – Façade Panels
- Stratus Kitchen Solutions



### Mikasa Floor

- Engineered Wooden Flooring & matching accessories



### MFC

- Melamine Faced Chip Board



### Mikasa Door

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



# Our consolidated financial performance, FY2020-21

# Greenlam's world in numbers

## Background

Consolidated net revenues de-grew 9.2% to ₹1199.6 Crores compared to ₹1320.6 Crores in FY2019-20 despite a challenging year.

EBITDA de-grew 2.8% to ₹173.3 crore compared to ₹178.3 crore in FY2019-20.

PAT de-grew 15.0% to ₹73.7 crore against ₹86.7 Crores in FY2019-20 (after an exceptional expense of ₹12.40 Crores)

## Products

Laminate revenues de-grew 5.1% to ₹1065.3 crore from ₹1122.2 crore in FY2019-20

Decorative veneer revenues de-grew 30.2% to ₹78.6 crore from ₹112.7 crore in FY2019-20

Engineered wood flooring revenues de-grew 38.1% to ₹31.7 crore against ₹51.2 crore in FY2019-20

Engineered door business revenues de-grew 30.4% to ₹24.0 crore against ₹34.5 crore in FY2019-20

## Business health

Gross profit in absolute terms de-grew 8.0% to ₹598.0 crore compared to ₹650.2 crore in FY2019-20

Gross margin improved 60 bps to 49.8% from 49.2% in FY2019-20

EBITDA margin grew 90 bps to 14.4% from 13.5% in FY2019-20

Working capital cycle declined by 7 days to 88 days of turnover equivalent

8

Number of operational global subsidiaries

100+

Countries where Greenlam products are marketed

51.7

% of revenues derived from outside India

14,000+

Greenlam footprints across India

3.2

% of revenues invested in brand building

11.2

% of revenues derived from non-laminate products

2

Manufacturing facilities

~4,500

Employees (including contractual employees)

100+

Overseas employees

2,262.30

Market capitalisation as on March 31, 2021 (₹ crore) (based on the closing price at National Stock Exchange of India Limited)

# Values that drive Greenlam

## Learning



We encourage learning, creating and nurturing talent.

Our Organisation facilitates the learning of our employees and continuously transforms itself. We also support formal learning through structured programs to empower people outperforming their individual potential.

## Trust



Trust people to be reliable and responsible and earn their trust similarly.

Our dealings as an organisation with the environment including individual employees, vendors, business partners, investors, customers and society at large would be in a premise of good faith. We would trust others and strive to earn the trust of others. We would thereby not deal with anybody who breaches our trust or the trust placed on us by our environment. We empower our employees by placing trust in them to take decisions in the best interest of the organisation and as per promulgated norms.

## Speed and agility



We are quick to decide, respond and execute.

We value decisions being made without undue procrastination and being implemented within the shortest possible time because we value this as a source of competitive advantage. Individuals will therefore be held accountable wherever any delays are attributable to them either in the decision making or implementation process. Similarly we shall respond to the market proactively rather than reacting when situation reaches a point where inaction becomes unaffordable.

## Performance



We value performance across products, people and processes.

Performance is valued as the core ingredient for sustainability and would therefore be the underlying metric for selecting people, products or processes for the organisation. Other values would be additional to performance. Performance would mean delivering on commitment in every parameter. It would also entail effort and a continuing endeavour to improve the status quo in order to achieve excellence.

## Team work



We achieve more by collaboration with all stakeholders – internal and external.

Given the inter linkage of output of others 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 means little in a failed team. Also, our customers, partners and investors need to succeed. Therefore, organisational goals precede departmental goals. Also, dealers, distributors and vendors are our partners.



At Greenlam,  
bettering is...

Hearing 'opportunity' when the rest are saying 'lockdown' and 'uncertainty'

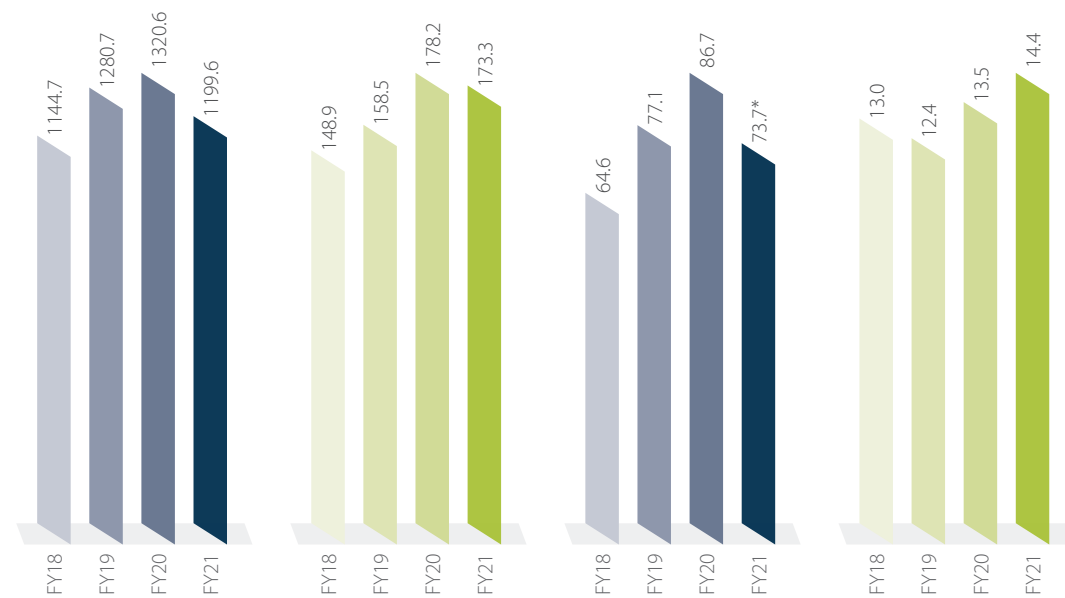
Not just focused on marketing more but at a lower cost, wider footprint, quicker pace and higher realisations

Not focused on being better than the competition but being as good as one can be

Not focused on being the best in the country but being among the best in the world

Not focusing only on laminates but in providing lifestyle-enhancing interior solutions

# How we have grown over the years



## Revenues

₹ crore

**Definition**  
Growth in sales 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**  
Aggregate sales declined 9.2% to ₹ 1199.6 crore in FY2020-21 following the impact of the pandemic in the early part of the year under review

**Value impact**  
The decline in revenues was less than the revenue erosion across the sector on account of the company's wide and large global footprint that minimised impact

## EBITDA

₹ crore

**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 2.8% decline in EBITDA in FY2020-21 (lower than the erosion within the sector), largely derived from cost moderation, value-addition and wide global sales footprint.

## Net profit

₹ crore

**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 decline in net profit by 15.0% after an exceptional expense indicates that based on operational performance the company largely protected its bottomline despite revenue erosion caused by the pandemic.

\*After exceptional expense of ₹12.4 crore.

## EBITDA margin

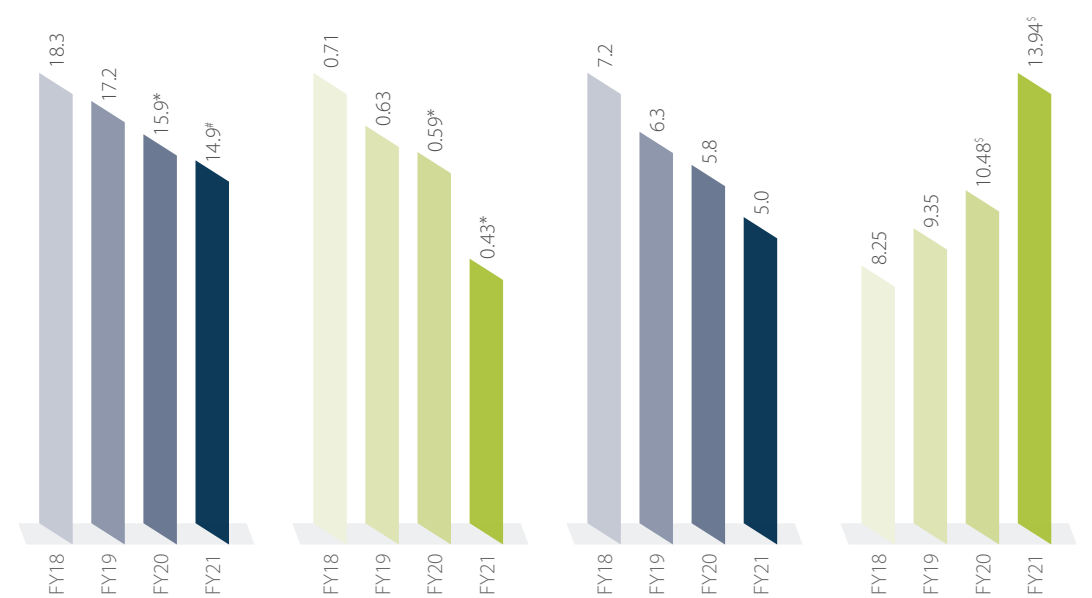
%

**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 90 bps increase in EBITDA margin in FY2020-21, its highest in years following cost moderation and value-addition.



## RoCE

%

**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 90 bps decrease in RoCE in FY2020-21 without factoring the exceptional expense incurred, a validation of the company's intrinsic profitability despite a decline in revenues.

\*16.8% RoCE without considering investment in Greenlam South Limited for greenfield expansion.

#15.7% RoCE without considering investment in Greenlam South Limited for greenfield expansion and prior to exceptional expense.

## Gearing

x

**Definition**  
This is the ratio of debt 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 keeping the equity side constant and progressively moderating debt.

**Value impact**  
The Company's net gearing stood at 0.21 in FY2020-21 following debt repayment of ₹ 46 crore and increase in cash and liquid investments of ₹94 crore. The net debt of the Company was lower by ₹140 crore.

\*Gearing on net debt basis stood at 0.53 for FY2019-20 and 0.21 for FY2020-21

## Debt cost

%

**Definition**  
This is derived through the computation of the average cost of the consolidated 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 lower cost of debt and thereby enabling more funds for re-investments and shareholder's distribution.

**Value impact**  
The Company's debt cost declined from 6.3% in FY2018-19 to 5.0% in FY2020-21 (a mix of forex and rupee debt), the third straight year of a decline in the cost of funds.

## Interest cover

x

**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 strengthened its interest cover from 10.48 in FY2019-20 to 13.94 in FY2020-21.

<sup>§</sup>Interest expense does not include interest expense on 'Right To Use Liability' under IndAS 116



Managing Director & CEO's review  
of our business, FY2020-21

## “We lived the Culture of **Bettering** in FY2020-21 – and that made all the difference”

### Overview

The financial year of 2020-21 was a seminal one for humankind.

What made the COVID-19 viral outbreak different from some viral versions of the past was that it combined the speed of spread with absence of remedy and extent of debilitation (even death).

The result is that, what started as a local health issue in one corner of the world rapidly spun out of control into a global economic disaster as several countries imposed complete restrictions on cross-border travel and transportation. The result is that global economic growth declined from 2.9% in 2019 to a minus 3.5% in 2020 (IMF estimate). Virtually no major economy was spared the economic de-growth, save perhaps China, which grew 2.3% through the year.

With the COVID-19 vaccination drive having been introduced across countries, experts believe that economies will rebuild from the downturn sooner than anticipated. IMF is projecting a 5.5% global economic growth in 2021, the highest in years, validating the fact that humankind possesses the capacity to emerge from the downturn.

Central banks across the world pumped money to reflate their respective economies in search of growth. As the impact of the vaccine widens, it would be natural to expect that 2021 would be completely different from 2020 in terms of consumer sentiment, with most countries moving back to their erstwhile growth journey.

The Indian economy was affected extensively during the first quarter of the year under review. The imposition of a complete lockdown starting from 24 March 2020 affected consumer sentiment and product offtake. The result was that the Indian economy shrank 23.9% during the first quarter, possibly the largest decline in any major global economy.

The Indian government responded with speed to control the spread of the pandemic. Thereafter, it responded with economic concessions to prevent defaults across the country's banking and non-banking finance companies.

Even as growth was muted for one quarter, the revival in pent-up demand was one of the

### The challenges we faced

At Greenlam, when the pandemic increased, there was a bigger than ‘How can we protect our Balance Sheet?’ The priority was ‘How can we protect our people?’

In view of this, the company selected to discontinue physical attendance at our head office a week before the government announced a lockdown. Thereafter, remote working was actively encouraged. The fact that we protected our talent capital was our biggest achievement in FY2020-21.

The company was required to address the prospects of workers returning to their villages. The company utilised the accommodation already available within the factory premises for its workers that helped retain

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most vigorous seen in India in recent times. There was a sharp increase in month-on-month consumption that was reflected in corresponding GST collection growth. Most companies reported record revenues and surpluses starting with the October-December quarter. This indicates that even as the Indian economy reported its sharpest de-growth in the April-June 2020 quarter, it also reported the quickest recovery thereafter.

migrant workers (as a result, the company was among the first to resume manufacturing operations with reduced strength when permitted by the government); the warehouses operated away from the city to service construction projects and original equipment manufacturers (OEMs).

The company encountered a sharp increase in the prices of raw materials and shipping freight both inward and outward

following September 2020, which made it imperative to pass increased costs to customers.

### How we addressed the challenges

There were a number of ways that Greenlam countered the prevailing challenges.

Even as there was a general need to consistently source raw material at a time when the supply chain was stretched, the company capitalised on its business model where it generally nurses a reasonable raw material inventory that is not just-in-time. The result is that even in a resource-stretched first quarter, Greenlam possessed adequate raw material inventory, which empowered the company to manufacture (when permitted) and service the international appetite for its products.

Besides, the company's continuing discipline in moderating trade receivables paid off just when it mattered. During that critical first quarter of FY2020-21, when it was usual for companies to be cash-strapped, Greenlam possessed relatively low outstandings and comfortable liquidity.

The company leveraged its anti-bacterial range of laminates that had been launched a decade ago. As this range now became relevant during the pandemic, the company focused on topical sales that accelerated revenues.

The Company cleared its tax disputes; it funded its gratuity

liability of ₹13.3 crore and settled disputed liabilities of around ₹85 crore by paying around ₹12.4 crore under the amnesty scheme. The result is an increasingly clean Balance Sheet with virtually no liabilities.

### Work from home and what it means for us

Interestingly, while the Indian market was locked down in the first quarter, we held the belief that the demand had not evaporated but had been deferred; we recognised that as soon as market conditions normalised, demand would return, putting a premium on our ability to be prepared.

As a larger number of individuals began to work from home, two positive spin-offs emerged: one, individuals saved time and money that would have been expended in a commute to their respective workplace; two, there was now an incentive and some saved resource to be expended into enhancing the quality of their residential workspace. The result was a greater offtake of laminates (our core product), veneers and related products. It would then be fair to state that rather than set the company back (which it did only temporarily), the pandemic helped put a second wind into the company.

The interior infrastructure industry emerged as one of the biggest beneficiaries of the global lockdown. Interestingly, it may appear that Greenlam rode the rebound in market sentiment. This

is only partly true; the complete reality is that Greenlam rowed harder upstream and when the current changed, the company was at the right place at the right time with the right product mix (laminates especially) to capitalise.

In my communication to you in the last annual report, I had indicated that as a responsive organisation, Greenlam would focus on seeking opportunities in the chaos. Greenlam did so in various ways.

**One**, the company utilised the cash on its books to continue the procurement of raw materials, which ensured that its production lines could immediately get into production mode as soon as we were permitted by the Indian government (while competing companies struggled to aggregate enough raw material). During the latter part of the company, the invested accruals in growing the business with a higher return than repaying debt at a lower cost.

**Two**, Greenlam leveraged its brand for quality consistency and organisational dependability at a time when every rupee mattered to the consumer.

**Three**, Greenlam widened its offering – mass premium and commodity products – to address a rebound in the residential segment without being dependent on new realty launches; the company reinforced its anti-bacterial and anti-fungal laminate range with the revolutionary anti-viral

alternative that was relevant to the pandemic environment, strengthening the company's brand as consumer-centric.

**Four**, Greenlam capitalised on the temporary market gap created by the absence of unorganised players, transforming a fleeting opportunity into a larger market presence.

**Five**, the company leveraged its global market intelligence and anticipated an impending lockdown a month before it transpired, proactively filling its global warehouses with products so that when most global competitors prepared for an extended lockdown, Greenlam was out in the market seeking opportunities. The complement of these initiatives validated the company's established culture of bettering during a challenging phase in its existence.

**Six**, the company launched subsidiaries to grow its business in a sustainable way in Russia, Indonesia and Poland.

**Seven**, Greenlam lived within its established Balance Sheet discipline. Even though the company works with a high SKU range that necessitates a larger working capital outlay, the company reported a lower working capital cycle (60 days) than most wood panel based competitors. As volumes scale and the company can continue to work within this trade discipline, there is a possibility of increasing the number of working capital turns within a year, strengthening overall margins.

The result is that Greenlam strengthened the quality of its Balance Sheet in a challenging year that will deepen our resilience and enhance our responsiveness across market cycles.

### The power of the Greenlam brand

One of the conscious initiatives undertaken by the company during the year under review was to protect its brand at all costs. The company resisted the temptation to discount its brand and liquidate its inventory; the company resisted the temptation to instruct its sales team to dump material in the market across lengthening receivables cycles. The company continued to believe that no business for a short period would always be better than bad business across an extended period, which could create multi-year aberrations in our working capital hygiene.

On the contrary, Greenlam continued to emphasise the virtues of quality and engagement with credible brands during this uncertain phase. It would be fair to state that the company continued to focus less on the competition and more on the customer. The result was that when we foresaw the possibility of customers across lower-priced laminate products being under-addressed on account of the receding presence of unorganised players, we widened the applicability of our brand and plugged this market opportunity. I am pleased to report that the Greenlam brand ended the year under review with two engines firing in the domestic laminates market, strengthening our flexibility in addressing diverse market realities with wider flexibility.

While several companies may select to run their business singularly around price, Greenlam always focused on the power of intangibles: the quality of service, the assurance of the brand and the reliability of anytime product availability. The result was a

superior value for our primary customers (trade partners). We encouraged our trade partners to stock only an optimal quantity of material; we replenished what was sold with speed; we helped our trade partners rotate their working capital outlay more profitably; we helped them sweat their financial resources better. The result is that an increasing number of our trade partners validated that 'Greenlam is good for our business', making it possible for us account for a larger share of their shelf space and they, in turn, to increase the Greenlam share of their revenues.

I am pleased to communicate that the decline in our revenues during the disastrous first quarter of the last financial year was lower than the decline in the industry average; the subsequent revenue growth reported by Greenlam was not only higher quarter-on-quarter but also higher than the corresponding industry average. The result is that Greenlam ended the year under review with 9.2% de-growth in revenues over the previous year; EBITDA was 2.8% lower; EBITDA margin was 90 bps higher than the previous financial year; international revenues were 1.4% higher than what the company reported in FY2019-20; international revenues as a proportion of overall revenues increased 540 bps during the year under review, broad basing the company's geographic risk.

### Outlook

Even as the second surge of the pandemic from March 2021 appears to have affected the company's prospects during the first quarter of the current year, Greenlam expects to perform creditably across the foreseeable future.

The long-term optimism related to the Indian economic direction

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**The company leveraged its anti-bacterial range of laminates that had been launched a decade ago. As this range now became relevant during the pandemic, the company focused on topical sales that accelerated revenues.**

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is drawn from the Union Budget 2020-21. The Indian Finance Minister outlined, among other proposals, initiatives to monetise and privatise. At our company, we see these as unmistakable signals of unprecedented opportunities for asset building and interiors improvement. This has deepened our conviction of the long-term direction of the Indian economy. When we closed our performance in FY2020-21, we remained optimistic that the revival on account of pent-up demand had extended to sustained consumption growth, the basis of a full-fledged economic recovery.

During the financial year under review, we perceived a decisive shift from unorganised to organised players. Since GST, we perceived an increase in the cost of staying in business for unorganised players and a decline in the corresponding cost for

organised branded players like us. At that time, we were hopeful of the branded players leveraging their brand depth to compete more decisively and carving away market share. The switch was not as perceptible as one would have expected; the unorganised players continued to stay in business outside the tax structure.

The inflection moment transpired during the last financial year. During the challenging first quarter, unorganised players struggled to put together their workers and access to informal financing sources. The result is that organised players like Greenlam were quick to resume operations and feed their trade partners with products; the unorganised players could do nether, losing shelf space. The organised players like Greenlam sustained their market presence through the later part of the

year with a growing presence in price-sensitive products, strengthening their market share. Even as the switch from unorganised to organised players was pronounced, a nimble player like Greenlam accounted for a disproportionate share of the switch. We believe that this switch could accelerate during the current financial year, benefiting a proactive player like Greenlam.

The Greenlam brand has emerged stronger, driven now by two laminate engines (mass premium and commodity). The 'seed and feed' approach of the non-laminate products (especially engineered floors and doors) appears to be maturing and should translate into better revenues going ahead. The company intends to sweat its debottlenecked assets, amortising fixed costs more effectively.

The company intends to enhance capacity utilisation through debottlenecking in the first phase. In the next phase, the greenfield capacity expansion in South India (initiated during the current financial year) will be commissioned in 2022-23.

The Company's strong cash flow will help to prudently fund the future projects and expansions.

Across the next five years, Greenfield is likely to be bigger in its existing business while extending into allied categories businesses, strengthening its positioning as an interior solutions provider.

### Conclusion


The journey of the last six years, from the time we were demerged into an independent listed company, has been challenging.

The company has established a respect for ESG practices, the basis of its sustainability. This one phase of our existence appears to be over with our capacity likely to proceed towards peak utilisation and the company embarking on its next expansion round. At Greenlam, we believe that we have built a robust foundation of multi-year growth that should translate into enhance value in the hands of all those who hold shares in our company.

**Saurabh Mittal**  
Managing Director and CEO


**The Greenlam brand has emerged stronger, driven now by two laminate engines (mass premium and commodity). The 'seed and feed' approach of the non-laminate products (especially engineered floors and doors) appears to be maturing and should translate into better revenues going ahead.**

### The four Greenlam positives to emerge from FY2020-21




**Validation of our contrarian spirit.**

**Result:** Increased global recruitment; commissioned more global subsidiaries; emphasised a new laminate segment in India; launched pandemic-relevant products




**Validation of our portfolio, innovation and certification competence.**

**Result:** Enhanced brand trust



**Validation of our partner-centric approach.**

**Result:** smoother supply chain and trade partner engagement



**Validation of the quality of Team Greenlam's commitment.**

**Result:** Enhanced flexibility in responding to economic and sectorial challenges



# 6 big trends and how we are capitalizing on them

<p><b>1</b></p> <p>People across the world aspire to live and work in better surroundings</p>	<p><b>Where do we see opportunity?</b> We see an opportunity in providing interior infrastructure products across the world that makes it possible for people to upgrade the quality of their lifestyle.</p> <p><b>What are we doing about it?</b> We have widened the portfolio of our brands, products, manufacturing facilities, distribution partners and countries of presence with the objective to address a growing need for consumers to live and work in better surroundings.</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Scale</li> <li>Costs</li> <li>Brand</li> <li>Profits</li> <li>Talent</li> </ul>
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<p><b>2</b></p> <p>An increasing number of people buy products based on life-cycle costs</p>	<p><b>Where do we see opportunity?</b> We see an opportunity in consumers gravitating to the use of products priced at a premium to the prevailing average based on the conviction that this premium represents a fraction of the cost of untimely replacement</p> <p><b>What are we doing about it?</b> We are investing in cutting-edge technologies, superior resources, quality certifications, training and addressing the needs of demanding customers as a validation of the fact that we provide enduring products.</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Brand</li> <li>Talent</li> <li>Trust</li> <li>Expertise</li> </ul>
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<p><b>3</b></p> <p>People need to trust prominent brands</p>	<p><b>Where do we see opportunity?</b> We see opportunities in marketing our corporate and product brands, strengthening our revenue visibility and corporate sustainability.</p> <p><b>What are we doing about it?</b> We are sustaining our brand investments around 'Trust', 'Superior quality' and 'Peace of mind', generating a sustained revenue outperformance over the sectorial average.</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Capital</li> <li>Trust</li> <li>Profits</li> </ul>
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<p><b>4</b></p> <p>Consumers need increased convenience in product access and implementation</p>	<p><b>Where do we see opportunity?</b> We see an opportunity in widening our distribution network and making the product implementation simpler, quicker and less tiresome</p> <p><b>What are we doing about it?</b> Greenlam has widened its retail footprint, making it convenient for consumers to buy; the company provides a service that makes it easy to install products in home and offices, relieving customers of the trouble of engaging workmen for product installation; besides, the company emphasises the importance of buying engineered wood products than fabricating them on-site.</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Capital</li> <li>Trust</li> <li>Profits</li> <li>Brand</li> </ul>
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<p><b>5</b></p> <p>Consumers generally buy all their products from a single outlet or brand</p>	<p><b>Where do we see opportunity?</b> There is a greater incidence of brand consolidation; more consumers are buying into fewer brands for a larger number of products</p> <p><b>What are we doing about it?</b> Greenlam has widened its presence from laminates (core product) to a related family of interior infrastructure products, strengthening its capacity to cross-sell and carve away a larger share of the customer's wallet.</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Capital</li> <li>Trust</li> <li>Profits</li> <li>Expertise</li> </ul>
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<p><b>6</b></p> <p>There is a greater consumer respect for companies that score high in their ESG commitment</p>	<p><b>Where do we see opportunity?</b> There is a stronger respect (and payback) for companies that are perceived to be responsible</p> <p><b>What are we doing about it?</b> Greenlam has invested in superior technologies (manufacturing and otherwise) to enhance environment responsibility and process integrity; it is driven by a governance commitment; it has invested in the creation of a robust eco-system (employees, vendors and customers).</p>	<p><b>Where does this affect our value chain?</b></p> <ul style="list-style-type: none"> <li>Trust</li> <li>Profits</li> <li>Expertise</li> <li>Society</li> </ul>
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# Our integrated value-creation report

## Overview

There is a growing importance of the Integrated Value-Creation Report. This approach overcomes the limitations of the conventional approach through a comprehensive framework that integrates 'hard' and 'soft' initiatives.

Integrated reporting draws different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a unified whole that explains an organisation's

ability to create, enhance and sustain value.

Integrated reporting explains to providers of financial capital how an organisation enhances sustainable value. The impact of such an Integrated Report extends beyond the financial; it enhances understanding across all stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers) focused on an organisation's ability

to enhance value in an enduring way.

In an Integrated Report, the shift from the 'hard' to 'soft' (non-financial data) helps screen more comprehensively, addressing the needs of the investor fraternity/ government agencies.

In the following section we have selected to explain our business model and how it has been structured to enhance value.

## Sustainability and value-creation

At Greenlam, we believe that multi-year business profitability represents a platform for sustainable value-creation.

This multi-year sustainability is derived from a prudent investment across all the drivers of the company's business and their corresponding balancing. This is directed to address prevailing needs without compromising prospective viability.

The company's sustainability has been

aligned with United Nations' principles for responsible manufacturing leading to environmental sustainability across Human Rights, Labour, Environment and Anti-corruption. The result is that Greenlam is respected as a responsible corporate citizen.

Over the years, Greenlam made proactive investments in strategic sustainable initiatives, controls to check process deviations, focused on outcomes better than prescribed norms,

escalated process reporting directly to the Managing Director, provided relevant training to all employees and constantly monitored sustainability performance. The result is that the company's sustainability record has extended from mere regulatory compliance to forward-looking practices, strengthening business viability, liquidity and competitiveness.



### Procurement economies

- Procure the best quality of raw materials
- Procure most economically
- Procure sustainably



### Distribution network

- Deepen presence across 100+ countries
- Reach products where consumers are
- Strengthen engagements with primary customers (channel partners)



### Manufacturing excellence

- Maximise asset utilisation
- Invest in cutting-edge technologies
- Manufacture a range of products in a single location



### Brand and customer capital

- Invest in the over-arching Greenlam brand and other product brands
- Widen the product portfolio and consumer choice
- Launch products of the future; create markets



### Financial structure

- Moderate debt and debt cost
- Strengthen working capital efficiency
- Focus on value-addition



### Environment integrity

- Manufacture enduring products that moderate long-term resource consumption
- Reduce the consumption of finite resources
- Protect the region's environment balance



### People competence

- Maximise human productivity
- Strengthen the kaizen momentum
- Deepen the culture of passion and outperformance



### Community support

- Provide community support in the regions of presence
- Focus on integrated development
- Enhance community welfare and confidence



# The context of our sector

## Growing population

By 2027, India is projected to overtake China as the world's most populous country. India is adding nearly 15 million people to its population every year, the largest annual increment anywhere. This will ensure that the Company's addressable market will grow in a sustainable manner.

## Per capita incomes

India's nominal per capita income declined in FY2020-21 after years of sustained growth; the income growth journey is expected to resume in FY2021-22.

## Rate-driven

The Indian interest rate for mortgage financing is possibly at its lowest level in two decades, driving home ownership.

## Growing awareness

Following the rise of social media, consumers are selecting to spend more on aspirational living and exploring ways to re-surface their homes and offices.



## Government support

The Indian government announced a number of incentives and concessions (interest rate subvention for one) to catalyse home ownership.

## Aspiration

There is a growing preference for value-addition, driven by consumer aspirations for the need to live and work in better surroundings.

## Addressable market

India needs an estimated 18.78 million more homes (2012 estimate) ensuring a wider room for laminates and allied products.

## Real estate development

This Indian sector is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017. Increasing share of real estate in India's GDP is likely to be supported by increasing industrial activity, improving incomes, growing aspirations and urbanisation.

## Urbanisation

About 35% of India's population is urban; by 2050, 400 million more are expected to become urban dwellers. By 2030, the proportion of India's urban population is expected to increase to 40% even as the population becomes larger.

# How we enhance value

## 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 for production 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 value.

## Natural capital

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



## Our resources

## Intellectual capital

We possess 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.



# Our strategy



# Engaging our stakeholders

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

After a consideration of Greenlam's stakeholders, we have categorised our key stakeholders:

Stakeholder group	Greenlam's considerations	Stakeholder interests	How we engage	Capitals impacted
<b>Customers</b>	Our products are used by the masses and it is imperative that we provide quality products. We focus on producing high quality products	<ul style="list-style-type: none"> <li>Quality, availability, accessibility and affordability</li> <li>Consistent, reliable and on-time product supply</li> <li>Impact of product recalls and any quality or efficacy concerns that may arise</li> </ul>	<ul style="list-style-type: none"> <li>Engage with primary buyers (trade partners), and architects</li> <li>Open communication with customers through commercial discussions and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual</li> <li>Manufactured</li> </ul>
<b>Government, competent authorities</b>	Our ability to produce, market and distribute products is dependent on regulatory approvals by the concerned government authorities	<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>	<ul style="list-style-type: none"> <li>Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice (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>
<b>Employees</b>	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	<ul style="list-style-type: none"> <li>Job security</li> <li>Equitable remuneration, performance incentives and benefit structures</li> <li>Diversity and inclusivity</li> <li>Performance management, skills development and career planning</li> <li>Reputation as an ethical employer</li> <li>Employee health, safety and wellness</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>
<b>Suppliers</b>	These stakeholders play an important role in enabling us to meet our commitments to customers	<ul style="list-style-type: none"> <li>Fair engagement terms and timely settlement</li> <li>Ongoing communication on our expectations and service levels provided</li> <li>Fair and timely payment</li> </ul>	<ul style="list-style-type: none"> <li>Conducting various training programs</li> </ul>	<ul style="list-style-type: none"> <li>Social &amp; Relationship</li> <li>Financial</li> </ul>
<b>Investors and funders</b>	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Group and its prospects	<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 and liquidity</li> <li>Dividends</li> <li>Security over assets, ethical stewardship of investments and good corporate governance</li> <li>Fair executive remuneration</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>

## Enhancing value for stakeholders

Shareholders	People	Customers	Communities	Society	Environment
<ul style="list-style-type: none"> <li>Progressive dividend policy</li> <li>Attractive market capitalisation growth</li> <li>Focus on free cash generation</li> <li>Profitable growth</li> </ul>	<ul style="list-style-type: none"> <li>Employee and vendor engagement</li> <li>Promote personal and professional development</li> <li>Fair and equitable wages / contracts</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing customer experience</li> <li>Quality products</li> <li>Product customisation</li> </ul>	<ul style="list-style-type: none"> <li>Environmentally safe operations</li> <li>Responsible and ethical conduct</li> <li>Corporate social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to exchequer</li> <li>Driving employment</li> <li>Skilling people</li> </ul>	<ul style="list-style-type: none"> <li>Environmentally responsible and compliant operations</li> <li>Proactive investment in renewable energy and use of recycled raw material</li> <li>Moderated carbon footprint</li> </ul>

## The value we created in FY2020-21

Financial capital	Manufacturing capital	Human capital	Intellectual capital	Natural capital	Social and relationship capital
<ul style="list-style-type: none"> <li>Earnings per share: <b>₹30.56</b></li> <li>Market capitalisation (as on March 31, 2021): <b>₹2262.30 crore</b></li> </ul>	<ul style="list-style-type: none"> <li>Revenues earned from the laminates business: <b>₹1065.3 crore</b></li> <li>Revenues earned from the veneer business: <b>₹78.6 crore</b></li> <li>Revenues earned from the engineered door business: <b>₹31.7 crore</b></li> <li>Revenues earned from the engineered floor business: <b>₹24.0 crore</b></li> </ul>	<ul style="list-style-type: none"> <li>Employees: <b>~4500</b></li> <li>Remuneration paid: <b>&gt; ₹150 crore</b></li> </ul>	<ul style="list-style-type: none"> <li>Cumulative senior management experience: <b>&gt;400 years</b></li> </ul>	<ul style="list-style-type: none"> <li>Consumed renewable energy in FY2020-21: <b>&gt;1 million units</b></li> <li>Consumed natural resources</li> </ul>	<ul style="list-style-type: none"> <li>Number of vendors associated with the Company: <b>2000+</b></li> </ul>

## Value shared with

Investors	Suppliers	Employees	Customers	Government and regulations
<ul style="list-style-type: none"> <li>The Company enriched investors through dividend and capital appreciation in FY2020-21</li> </ul>	<ul style="list-style-type: none"> <li>The Company sourced materials and services of &gt; ₹800 crore from vendors in FY2020-21</li> </ul>	<ul style="list-style-type: none"> <li>The Company provided remuneration worth &gt; ₹150 crore.</li> </ul>	<ul style="list-style-type: none"> <li>The Company manufactured products, generating ₹1199.6 crore in revenues from customers.</li> </ul>	<ul style="list-style-type: none"> <li>The Company paid ~₹60 crore to the exchequer in India in FY2020-21.</li> </ul>



# How Greenlam has enhanced shareholder value

## Overview

India is correcting a long-term under-investment in its homes and office interiors.

Greenlam has created a validated value-accretive model: profitable business coupled with projected investment (and growth).

Greenlam's business model is marked by cautious and sustainable growth; upfront

capacity investment has been complemented by brand-driven revenues, assuring business predictability.

Greenlam's entrepreneurial approach in scaling its business across the world or entering relatively under-penetrated segments represents the cornerstone of its value-enhancement approach.

## Capital appreciation



## Relative outperformance



## Scale

**The** company invested in scale to leverage economies

**It is** among the three largest laminate companies in the world

**This** scale empowers the company to widen the product basket

**Impact:** Superior economies of scale; better amortisation; superior margins

## Multi-product approach

**The** company manufactures laminates, decorative veneers, engineered wooden floors and doors

**The** multi-product approach facilitates cross-sale

**This** has helped graduate the company into an interior wood-based aesthetics brand

**Impact:** Existing and futuristic revenue engines; superior overall profitability

## Global presence

**The** company is among the three largest global laminate companies

**The** company widened its footprint across 100+ countries

**The** company generated 51.7% of revenues from the international markets (FY2020-21)

**Impact:** Broadbased global presence; hedge against over-dependence on any one or few countries



## How we consistently enhanced shareholder value

## Long-term asset viability

**The** company invested in two plants

**These** were progressively invested with incremental assets

**The** company leverages their value at historic costs

**Impact:** Superior capability to cover infrastructure costs; rising Return on Gross Block

## Financial discipline

**The** company focuses on cash flows over cash profits

**This** has been achieved through tight working capital management

**The** company has grown the business through long-term debt and accruals – no additional equity infusion

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

## Responsibility

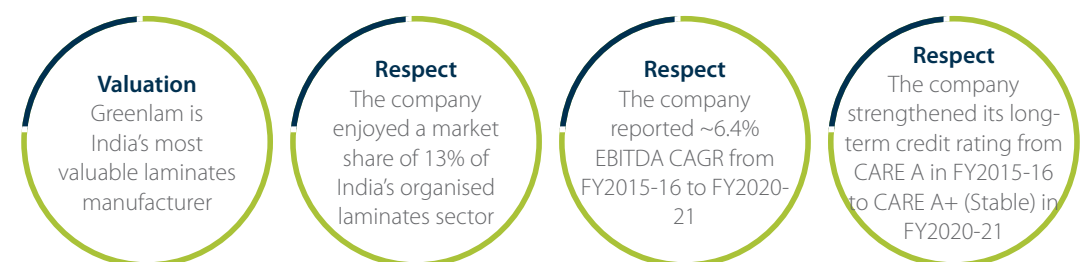
**ESG-compliant** business model

**Extensively** de-risked approach; established global corporate credibility

**Robust** governance and disclosures

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

## Our competitive advantage



Our  
product  
categories

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

# Laminates and compact laminates



**15.62**

million sheets a year of installed capacity

**1,065.3**

Consolidated revenues, FY2020-21 (₹ in crore)

## Products

**Laminates**  
10,000+  
decors collection

**Compact laminates**  
100+  
decors

**Veneered laminates**  
200+  
natural veneer species

**Veneered Compact laminates**  
20+  
natural veneer species

## Applications

Laminate business has witnessed an immense change in terms of design evolution and product performance.

It graduated from a commodity product to be a lifestyle and low maintenance surfacing option. Greenlam offers variety of laminates

catering to various application needs, starting from liners to specialised material for segments like hospitality, health, education, retail, commercial and residential spaces.

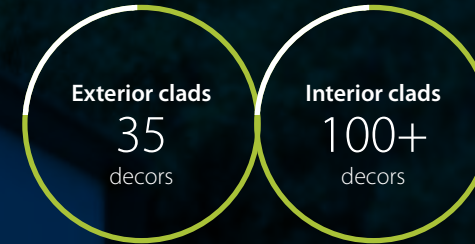
Greenlam offers products across dimensions (3'x7', 4'x8', 4'x10', 4.25'x10', 5'x12',

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 represent 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**

million sq. m production capacity annually

## Products

**100+**  
decors

## Applications

With the increase in organised carpentry (OEM) in India, the use of engineered wood like MFC is gaining pace in 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, retail stores etc.

# Decorative veneers

**decowood**  
PREMIUM VENEERS

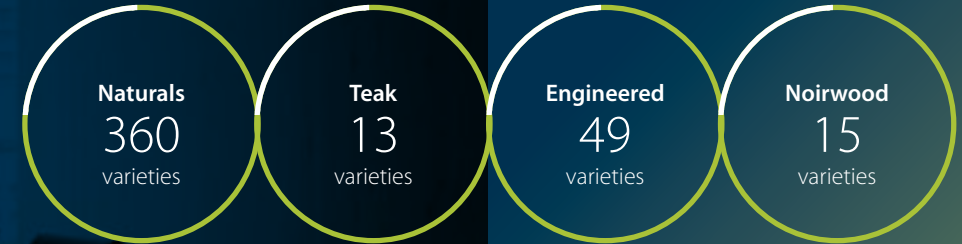
**4.20**

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

**78.63**

Consolidated revenues, FY2020-21 (₹ in crore)

## Products



## Applications

The specification industry leads the sales of this category.

Decowood Veneer comes in four categories – Natural, Engineered, Teak & Noirwood. Decowood has a wide and beautiful range of offering 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

also 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 palate of woods to choose from.

# Engineered wooden flooring



**1.00**

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

**31.7**

Consolidated revenues, FY2020-21 (₹ in crore)

## Products



## Applications

Mikasa offers unparalleled flooring solutions with its premium engineered wooden flooring. The engineered wooden flooring is used in both commercial and

residential space. 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**

million doors per annum (only organised manufacturer in India)

**24.0**

Consolidated revenues, FY2020-21 (₹ in crore)

## Products

Fire-rated door sets

Non-fire rated door sets

Specialty door sets

Acoustic door sets

## Applications

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. Consolidates beauty and excellence, engineered

to perform. These doors and frames can be fabricated in any size and dimension.

# Our Brand Report, FY2020-21

## Decorative Laminate & Allied Products

Laminates	Compact Panels	MFC
Commodity to Premium products	Standard Compact Panels Lab Guardian Restroom & Locker Solutions Clads – Façade Panels Stratus Kitchen Solutions	Melamine Faced Chip Board
	 	

## Veneer & Allied Products

Decorative Veneer	Mikasa Floor	Mikasa Door
Natural Veneer Engineered Veneer Teak Veneer Noirwood Veneer	Engineered Wood Floor and matching accessories	Engineered Wood Door and Doorsets (Door + Frames)
		

## Overview

Greenlam is a global brand with a significant India presence as opposed to being an Indian brand with a moderate international footprint.

This represents the core of Brand Greenlam, influencing its approach to portfolio presence,

product development, global footprint (breadth and intensity), team composition, brand positioning cum spending, design orientation and extension from a core product (laminates) into synergic non-laminates product categories.

The result is that the internationalness of the brand has helped the company draw on cross-border trends and preferences, enhancing its contemporariness, relevance, endurance and profitability.

## Contrarian spirit

Greenlam has not just grown in terms of revenues in the last number of years; it has now become one-stop solution provider for all surfacing needs.

Greenlam has not just touched upon commoditised categories; it has premiumised them instead.

It has not been shy of cluttered spaces; it has focused on emerging as premium, aspirational, trend setting and a benchmark.

It has not been daunted by investment requirements; it has introduced brands that have extended into a brand family and portfolio (comprising relevant brand extensions and spinoffs) instead.

It has not been challenged by the clutter of messaging; it has evolved products to user

personalities and connected products to users instead.

It has not been discouraged by reports of sluggish markets; it has pioneered products based on the conviction that fresh supply creates additional demand instead.

It has not blinked in the face of pricing challenges; it has demonstrated the courage to create new price points in India's interior infrastructure sector instead.

It has not been a follower of market patterns; it has established its respect and reputation as a trend creator.

It has not just been a domestic brand; it is directly present in more than 100 countries, drawing global perspectives into product concept, design and launch.

It is not just a resource provider; it has transformed the brand into a value-added downstream solutions provider (Kitchen worktop solution).

It is not just a standalone Indian company seeking to grow organically; it acquired a Switzerland-based distribution and marketing company to deepen its Central European footprint.

It is not a brand limited to a handful of products; it is a dynamic company, responding to the evolving needs of consumers through the introduction of new product categories and corresponding products.

# Review of our Brands Performance, FY2020-21

Q

Was the management pleased with the performance of Greenlam's brand during the year under review?

**A:** The management was pleased with the performance of the brands in FY2020-21, which was a year marked by uncertain consumer sentiment, economic slowdown and thereafter by an unexpected rebound in consumer sentiment that made it imperative for a brand like Greenlam to adapt with speed.

From a broad perspective, it would be pertinent to state that the company enhanced the relevance of its brands during the pandemic through various initiatives: by being the first from its sector to commence manufacture, first to turn up at the doors of its trade partners, graduate physical engagements to the virtual when it came to swatch presentation and introduce products adapted around hygiene and safety. The result is that it was not business as usual for us; it was

business as unusual in a positive sense. We didn't just perceive challenges in the operating environment; we sought to capitalise on them.

Besides, the year under review represented a widening of the company's focus. For decades, Greenlam had focused on the mass premium segment. During the last financial year when unorganised manufacturers were unable to respond to supply chain challenges and vacated market segments, Greenlam responded with speed: the company widened its portfolio and entered the commodity segment. The result is that in a challenging market scenario, Greenlam did not suffer a contraction in its addressable market; it widened its addressable market instead.

Q

What were the dangers in doing so?

**A:** The extension of a mass premium brand to a commodity segment is marked by risks. What is required is a transformation in the corporate mindset, warranting a different marketing and branding approach from what has been traditionally followed. It is like an exclusive premium car brand selecting to launch a mass brand, affecting its

carefully-developed brand sheen on the one hand and always sending out a message to the mass segment of being expensive. The message that we wish to communicate is that Greenlam management was aware of this risk from the outset and set out to protect itself from the possibility of compromising its brand messaging.

Q

What was creditable in Greenlam's approach?

**A:** The fact that Greenlam ventured successfully into this segment showcases some remarkable facets of the organisational mindset: **one**, its willingness to step outside tried and tested terrain; **two**, its willingness to create a parallel marketing activity to work with a different approach;

**three**, its willingness to attempt to do things that went counter to some of its management's conventional positioning. This structured approach in addressing the commodity segment opens up a new dimension for the company.

Q

In what way will this launch open up a new dimension?

**A:** We have always believed that the mass segment of India's interior infrastructure market is the widest. When consumers come into enhanced income and aspirations, one of the first things that they do is enhance the quality of their homes. At this point, they usually replace legacy infrastructure with new material, furniture and designs. This may not understandably be the most expensive material on offer; it is usually something that represents the best price-value

proposition within their desired price segment. There is one point here; it is also not necessarily a product from an unorganised player that they will like to buy; the consumer's budget may be limited but the aspiration is always to buy the best value for money from the most respected brand. This is the aspiration that we addressed during the year under review. We believe that by entering this commodity segment, we will have opened up a new revenue engine for our company.

Q

Why is Greenlam at the right place and right time?

**A:** Let this question first be answered from the sectorial side. Four seminal events of the last few years comprise demonetisation, GST introduction, RERA introduction and the pandemic. Each of these events has had a role in the formalisation of the interior infrastructure sector. The results: decline in the cost differential between organised and unorganised players (to the advantage of the former); lower competitiveness of unorganised players; quicker switch to organised brands and larger access of formal banking funds for the organised sector. The impact of these

realities was visible during the first quarter of the last financial year when an organised brand like Greenlam was able to capitalise on the sharp decline in resource prices and also commission its manufacturing facilities on schedule, a big advantage over unorganised brands that could do neither. The result is that a number of unorganised brands could not produce at all during the first quarter, vacating markets and yielding shelf space. Greenlam was able to enter the commodity segment, capture market share and build a presence that is likely to be sustainable.

Q

How would you address this question from the corporate perspective?

**A:** Over the years, Greenlam had built visibility, respect and market presence. The company developed the assurance that it is national and global leader. The company graduated to a 'If it is Greenlam then it must be the best' recall. The company inspired the confidence that if a consumer wished to buy, a Greenlam trade partner would never be far away. The company provided the assurance

that if something was wrong with the product (rare occurrence), the material would be immediately replaced. The company evoked the confidence that carpenters and interior designers would always find the company's material easy to work with. In short, we had developed a robust foundational confidence and recall on which the management needed to build.

Q

In what ways is the company likely to benefit?

**A:** From a tactical perspective, our marketing to two consumer segments – mass premium and the commodity – will result in a greater flexibility in addressing a wider range of market realities. But there is a strategic side to this decision as well: we believe that a larger number of consumers do not seek to flit from brand to brand in pursuit of the latest 'low price' or 'best buy' that could change from day to day. They seek to trust; they seek to engage in a lasting relationship; they seek to buy from the same retailer as it builds dependence and a turn-to face in the event of a complaint.

What we have observed is that even the conventionally price-sensitive consumer seeks the comfort of an enduring brand that is going to be present five or ten years later. When this consumer seeks to upgrade from a Greenlam commodity end product to something in a higher price range, there is a greater possibility that she will turn to Greenlam once again. The big message we would like to leave with our stakeholders is that until now we marketed the Greenlam brand at the top; we now have a strategy that is going to be driven bottom-up as well.

**Q**  
**How did the company reconcile to a decline in average realisations?**

**A:** We believe that the decline in average realisations will be more than offset by the volume growth of the commodity segment. This interplay – volume and value – could generate an attractive surplus for the company. In view of this, our extension to the

commodity segment will make it possible for us to amortise our fixed costs more effectively, strengthening our overall profitability.

**Q**  
**How did the company strengthen the brand during the year under review?**

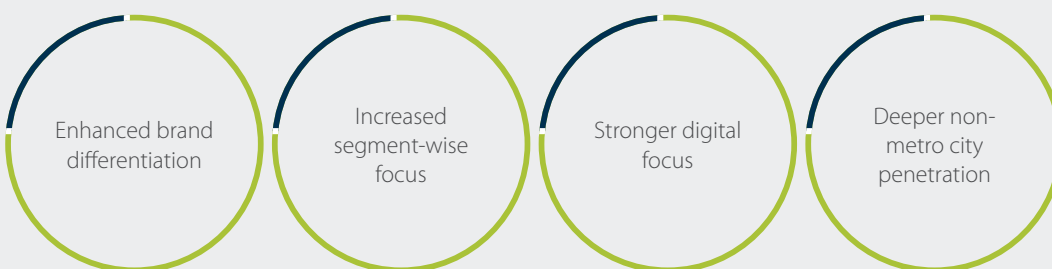
**A:** Greenlam protected its recall in various ways. Let me commence with how we engaged with our stakeholders during the first quarter of the last financial year when the country was in a state of lockdown. We provided them assurance on trade prospects, advised on safety standards, and counseled on what to stock, how to stock, how to sanitise products and implement safe packaging standards. A number of our trade partners said that our sensitive engagement at a critical moment helped them emotionally and deepened their faith in our brand.

In addition to this, we deepened our recall for superior product quality, sustained offerings (laminates, compacts, decorative veneers, engineered doors and wooden floors), provided materials closest to consumption points, ensured that products were always available when a consumer needed them and

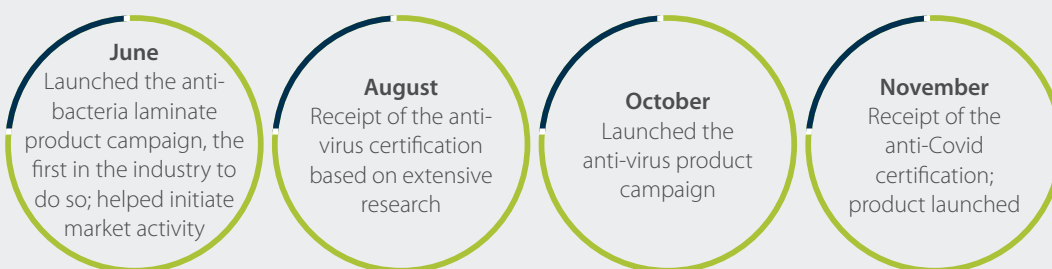
protected the overall price-value proposition. We sustained the brand around salience, emphasizing the core attribute and this consistency translated into a deepening recall that Greenlam does not just stand for a product but a positive intangible attribute and emotional recall. This reality translated into margins increase and increase in cash flows, validating the health of the brand in FY2020-21 and the foreseeable future.

The year under review was also the first full year of its Greenlam's launch of a new collection of Greenlam Laminates comprising 82 new decors and 8 new designs across textures (Trace, Aria and Satin). These designs were aligned with eight forecasted trends, making them completely relevant to an evolving market place. This momentum will accelerate over the foreseeable future.

**Brand building initiatives, FY2020-21**



**Our brand-building calendar, FY2020-21**



**Q**  
**How does the management intend to take the Greenlam brand momentum forward?**

**A:** The management intends to sustain brand investments during the current financial year. The company intends to widen its distribution network, widening its market presence down to the smallest population clusters across the country. The company intends

to strengthen focus on non-laminate categories, broadbasing its revenue pyramid.

**Q**  
**Why are you optimistic of the long-term health of the Greenlam brand?**

**A:** There are a number of reasons for this.

**One**, the brand is being periodically renewed and rejuvenated as we did when we launched a new catalogue across the world in December 2019, which excited our trade partners.

**Two**, Greenlam is proceeding towards an end-to-end solution across most of its products. Greenlam provides end-to-end surfacing solutions for kitchen worktop solutions Greenlam Stratus Kitchen Surface Solution, restroom cubicles, lockers, façades, engineered wood flooring and engineered door product categories that are replacing conventional materials like brick, mortar and natural stone.

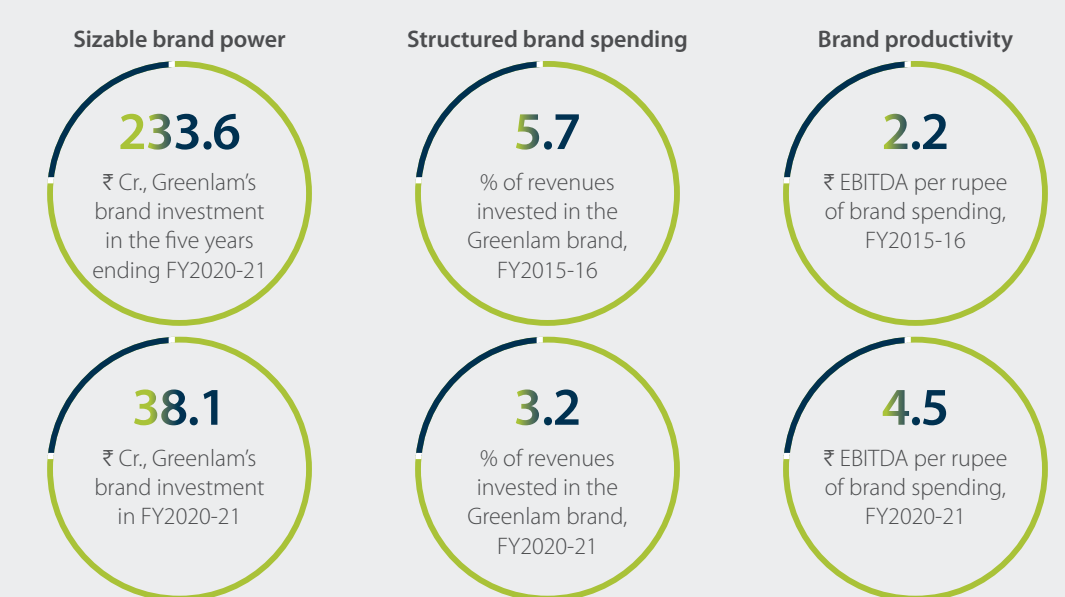
**Three**, the Company is showcasing products and services on mobiles,

launching a number of functional mobile apps across product categories (laminate, flooring and veneer).

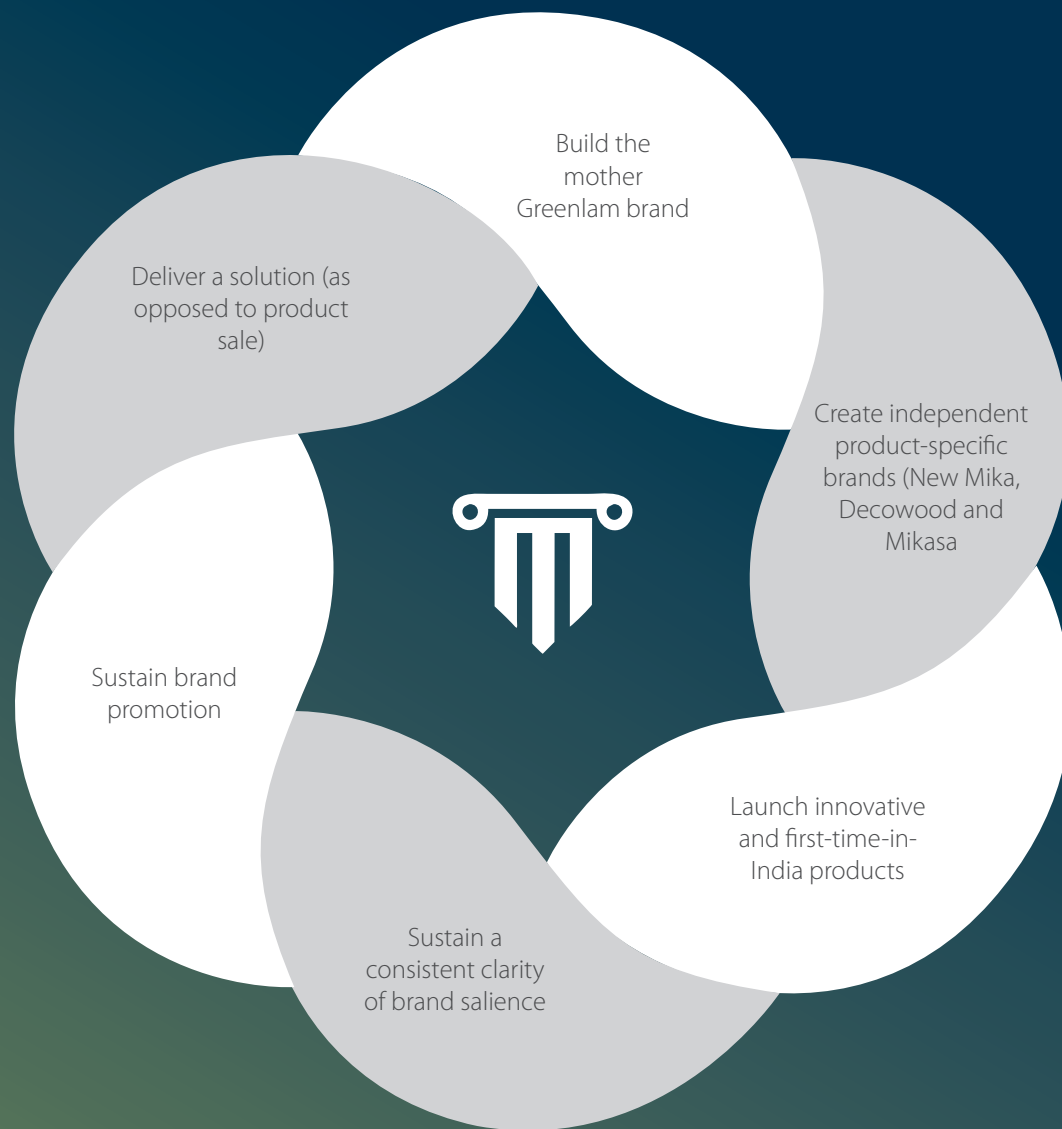
**Four**, Greenlam addressed consumer needs with product applications and a full-sheet view, which can be seen by scanning a QR code from the physical catalogue. Mobile app features comprise matching laminates by selecting a colour in any image/colour palette and finding a complementary decor.

**Five**, the Company is responsive to market needs: it offered anti-bacterial, anti-fungal and anti-virus properties across its laminates, strengthening recall. As an extension, the company will continue to seed new categories with corresponding products that enhance the relevance of its brand.

**Our brand investment and performance in numbers**



# Pillars of our brands strategy



## How the Greenlam brand translates into superior value

### Leveraging the Greenlam brand...

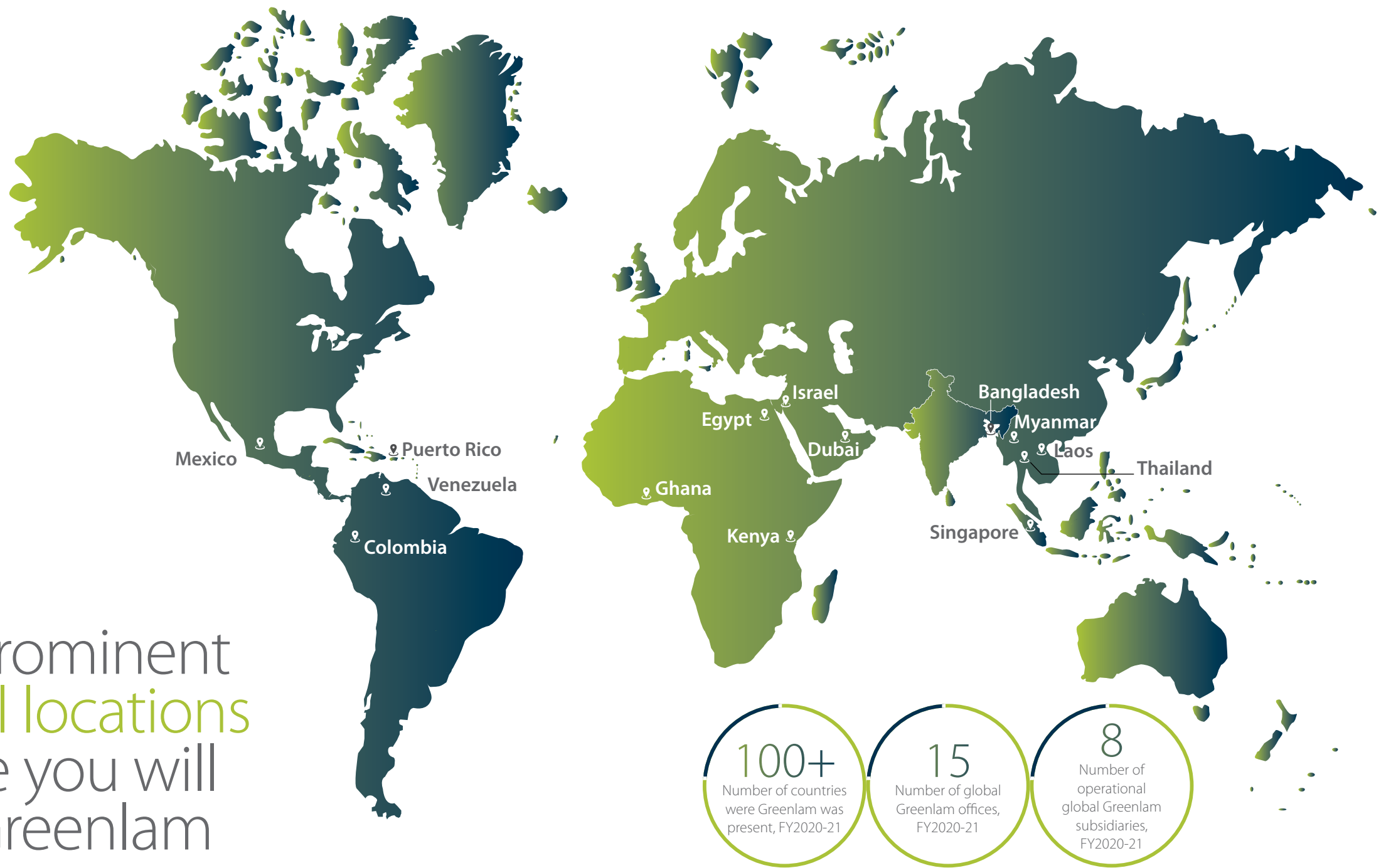
Background	Origin	Brand
<ul style="list-style-type: none"> <li>25+ years pedigree of an established industrial house</li> <li>Company respected for integrity of process, product and practices</li> <li>Focus on sustainability over one-off profitability</li> </ul>	<ul style="list-style-type: none"> <li>Products extracted from superior imported resource (paper/wood/chemicals)</li> <li>Products respected for aesthetics, quality and endurance</li> <li>Respect for product consistency</li> </ul>	<ul style="list-style-type: none"> <li>Trusted for quality across 25+ years</li> <li>Brand recall of 'quality' and 'peace of mind'</li> <li>Positioned brands around 'aesthetics', 'pride' and 'superior price-value proposition'</li> </ul>

### ...How this enhanced a consumer pull

Choice	Quality	Presence	Catalyst
<ul style="list-style-type: none"> <li>Range of products across price points</li> <li>Basket of products, facilitating cross-sale</li> <li>Presence in premium and commodity laminate segments</li> </ul>	<ul style="list-style-type: none"> <li>Premium positioning; addresses discerning consumers</li> <li>Generates superior aesthetics outcome</li> <li>Backed by credible global certifications</li> </ul>	<ul style="list-style-type: none"> <li>Available and accessible across 14,000+ distributors, dealers and retailer outlets</li> <li>Deepening and widening availability</li> <li>Presence in more than 100 countries</li> </ul>	<ul style="list-style-type: none"> <li>Stable eco-system of dealers and retailers</li> <li>Large shelf space; quicker replenishment</li> <li>No issues related to trade terms or sub-quality</li> </ul>

### ...And how this has translated into superior financials

Market share	Pricing and positioning	Liquidity	Productivity	Accruals
High market share in the premium segment	Priced at a premium over competing brands	High velocity of sale; short receivables cycle	Strong word-of-mouth; high brand spending efficiency	Generated attractive accruals for reinvestment in business



# The prominent global locations where you will find Greenlam

## Thailand

Hotel Richmond  
Dusit Thani  
Pullman  
Hotel Holiday Inn  
Burger King  
KFC  
McDonald's  
Chester Grill,  
BTS Skytrain  
Centrara Hotel  
Mercure Rayong  
President Solitaire  
7-eleven  
The Mall  
Central

Paragon  
Lotus  
Foodland  
Robinson  
Terminal 21  
Bangkok Hospital  
Kasemraj Hospital  
Theprathan Hospital  
Intrarat Hospital  
Siriraj Hospital  
Rama Bangphee Hospital  
Bumrungrad Hospital  
Rajavithi Hospital  
Maefahluang Hospital  
Chulaporn Hospital  
Samitivej Hospital

Lerdsin Hospital  
Saint Louis Hospital  
Suan Buak Had  
Thammasart University  
Chulalongkorn University  
Chaigmai University  
Srinakharin Wiroj University  
Sipakorn University  
ABAC University  
Assumption School  
Krungthep Kreetha School  
Sirindhorn School  
Pizza Company  
MK Restaurant

CP Fresh Mart  
S&P  
Thanachart Bank  
Government Saving Bank  
Kasikorn Bank  
CIMB bank  
Mercedes-Benz showroom  
Toyota showroom  
Parkland 598  
Holiday Inn  
**Egypt**  
Four Seasons  
Hyatt Hotel  
Citadel Mall  
King Salman University

Egypt Japan University of Science & Technology  
Hyde Park Project  
British Petroleum offices

## Singapore

Costa del sol Condo  
Star at Kovan  
Parksuites  
Le Meridien Hotel  
Sentosa  
Big Appetite, Suntec City  
UOB Bank  
China Seedland Hi-Tech Project  
Peach Condo  
Clementi Canopy

NUS teaching blocks  
Taprobane Cinnamon Hotel  
UBS

## Kenya

Sage on Paponi villas  
Sarit Centre Mall  
Medihal Hospitals  
Ole Serene Hotel  
**Ghana**  
Advantage Tower  
Afcons  
Tema-Akosombo Railway Project

## Myanmar

SSC Hospital  
**Dubai**  
Warner Brothers Hotels & Resorts, Abu Dhabi  
VOX Cinemas  
Azizi Riviera MBR City  
Rove Hotels  
Americana Stores - Pizza Hut

## Laos

International Kasemraj Hospital

## Israel

Gav-Yam Negev Advanced Technologies Park  
SHKMIM High School

## Mexico

AT&T  
Palacio de Hierro

## Colombia

Banco de Occidente  
Banco Casa Social

## Nepal

Aloft Kathmandu Thamel

## Maldives

Alila Kothaifaru Maldives

*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

“Safe”

“The best service”

“Good service”

“Greenlam is

“Good corporate culture”

“Anti-

“Trustworthy”

“Versatile”

“Greenlam is family”

“Reliable”

“Woody”

professional company”

bacterial”

“Good pricing”

“Colour variety”

“Reliable supplier and friend”

# What our employees have to say about Greenlam



"Greenlam is synonymous with Customer Service. We always develop a mutual partnership with our customers for the long run. We are proud of our environmental achievements and certifications. Our products and facilities have been awarded with the highest Standards and Certification in the industry."

*Jose Somoza, Regional Sales Manager, Greenlam America Inc.*



"I started working with Greenlam in 2007 as a customer. I sold my company Decolan to Greenlam in 2019 and joined Greenlam. Greenlam has helped expand my business. The highlight: ethical and integrity-based operations. As the founder of Decolan and after 40 years in business, I can say that Greenlam is a great company with a high potential in the global laminates sector."

*Giovanni Iurza, CEO, Greenlam Decolan, Switzerland*



"This is a happy place to work where employees are passionately self-motivated. People feel they are engaged and their personal goals are aligned with our business goals. Everyone is excited to come to office every morning as they feel each day provides value-addition to the business and the individual. This is an organization where work and personal life is valued and efforts are rewarding."

*Prashant Prakash Srivastav, Vice President, HR, Admin & CSR*



"I work far from the Head Office and my principal statement is that the management has shown faith in trusting me. If I face a difficulty, I can rely on my team and management for support. Immediately after I joined, I started working on a large project; the company not only trusted my vision but was patient and supportive. The management trusts employees; employees trust the management."

*Aleksandr Markov, Country Manager, Russia and CIS (Commonwealth of Independent States)*



"The Greenlam culture is different. When most companies were laying off employees after the pandemic, Greenlam stood by its employees. When a family member was infected, members of the senior management constantly stayed in touch."

*Surbhi Panwar, General Manager - Marketing*



"I joined Greenlam in June 2011. Since inception, the one thing that Greenlam has never fallen behind is in terms of culture. Our company's culture is a combination of values, ethics and employee practices. The Company's management has been the frontrunner in setting the right tone for ensuring such culture. As employees of Greenlam, we are encouraged to bring new ideas and achieve targets."

*Manoj Kumar Sharma, Vice President, Commercial, Himachal Pradesh*



"I started as a chemist in 1999; I am now General Manager of the manufacturing department. The highlight of my tenure was when I was promoted to Production Manager in 2003. The fact that I was handed a significant post with just four years is something I cherish."

*Ashish Pratap Singh, General Manager, Manufacturing, Rajasthan*



"The average tenure of my team members is around eight years, which is an indication of how Greenlam is an employee-centric organisation, how it empowers, how it motivates and how it rewards."

*Akkara Tenson, Deputy General Manager, Operations, Kerala*



"Greenlam is about emotions. In April 2021, my colleague Santosh and I were found to be Covid-positive. We were admitted to the hospital; we struggled with low oxygen levels. During this time, our branch colleagues in the regional and head offices helped – morally and financially, under the leadership of Country Head. They prayed for us in the masjid, mandir, church and gurudwara. I realised that my family was not limited to three members; it was considerably larger. How can I ever leave Greenlam?"

*Pankaj Bhattacharjee, Branch Head, Guwahati*

# How Greenlam strengthened its **financials** in a challenging year

Attractive revenues, cash flows and profits in FY2020-21

## The 3 biggest questions we encountered at the start of FY2020-21

Can we interest the consumer to buy our products despite the prevailing environment?

Can we protect our financials through the lockdown and slowdown?

Can we perceive opportunities in the crisis?

## The big picture of what we achieved

We reported attractive results in a few months of operations

We protected our Balance Sheet integrity while seeking revenue growth

We finished the year with attractive revenues, margins, cash flows and profits

### Overview

What Greenlam achieved during the year under review represented the outcome of a focused strategy from the time the company was spun out from its parent organisation and emerged independent in 2014-15.

The company had invested upfront in plants, equipment, technologies, products and capacities with the vision of building one of India's most trusted consumer-facing

brands. The upfront investment warranted the mobilisation of debt coupled with a financial focus on mass premium pricing, working capital hygiene and superior profitability translating into a relatively short investment payback.

During the year under review, a decisive phase of this strategy appeared to be coming to a positive conclusion, marked by aggregate net debt repayment of ₹236.6 crore across the last

five years, increase in net worth by ₹328.7 crore, net gearing strengthening from 1.47 to 0.21 and increase in cash on hand & liquid investments from ₹5.2 crore to ₹125.1 crore.

That this positive conclusion was achieved in a challenging financial phase validates the strategic clarity of the Greenlam management and execution excellence, enhancing value for its stakeholders.

### Performance, FY2020-21

The year under review was marked by a number of challenges from the outset: absence of consumer sentiment, complete lockdown, overheads to be incurred without corresponding revenues, extensive uncertainty and weak stakeholder morale.

The Greenlam management responded to this reality through a number of initiatives that set the

tone for its performance through the rest of the year:

- Complete compliance with government stipulations on lockdown, safety and precautions across the company's offices and factories; observance of the highest standards of safety across all these facilities.
- State of continued preparedness, which resulted in the company being among the first within its sector to

commence manufacturing and resume office operations.

- Culture of austerity during the two months (ending May 2020) when the company was required to invest in its operations without any assurance of payback or recovery.
- Superior customer service resulting in the timely material dispatch and installation.

### Tactical initiatives

The company's tactical approach was visible through the following initiatives during the lockdown:

**Centralisation:** The company centralised all major functions resulting in strategic alignment and stronger controls

**Procurement:** The company engaged in timely resource procurement as per the annual operating plan

**Brand protection:** The company refused to discount products to push sales, protecting the brand

**Credit discipline:** The company offered primary customers

(trade partners) a repayment moratorium for the tenure of the lockdown following which they were encouraged to repay.

**New revenue stream:** The company launched commodity grades to plug the gap vacated by unorganised manufacturers, building sizable volumes in Tier 2,3 and 4 markets

Even as revenues declined sharply and the receivables cycles extended nearly 70% during the first quarter of the last financial year, the company continued to protect the brand, Balance Sheet integrity and per unit realisations.

When sales revived, the company was better placed than competition (organised and unorganised) to plug market gaps, enhance market share, increase revenues, effectively amortise fixed costs and report superior financial hygiene.

The result is that the company reported progressive increase in revenues, margins and profits with every successive quarter. The company reported profitable growth during a challenging financial year: 9.2% decrease in revenues was corresponded by a 2.8% de-growth in EBITDA and 15.0% decrease in profit after tax.

### Our financial strengths

**Visibility:** The company has reported sustained year-on-year revenue growth (except for the FY2020-21, owing to the pandemic) despite a slowdown in the realty sector offtake and

economic slowdowns, enhancing financial visibility

**Superior brand:** The company's superior brand (corporate and products) facilitates a quick cash conversion cycle, strengthening working capital velocity and turns

**Credit rating:** The company enjoys a rating of 'CARE A+: Stable' with respect to long-term bank facilities and 'CARE A1+' for short-term bank facilities

**Competitiveness:** The company's capital cost per unit of production

is attractively lower than the prevailing industry benchmark and that of competitors, strengthening the company's any-market viability

**Liquid:** Most of the company's businesses have matured to

the point where they generate adequate year-on-year surpluses without recourse to the leveraging Balance Sheet

**Broadbased:** The company's revenues were broadbased across Indian and international revenues,

diversifying the company's offtake risk across a number of countries and continents; international revenue accounted for 51.7% of revenues in FY2020-21

### Outlook

The company intends to leverage its brand and available

manufacturing capacities to strengthen revenues, maximise the offtake of value-added

products, moderate costs and strengthen working capital management.

## Big numbers of our achievements



### A dashboard: How we performed across the four quarters of FY2020-21

Revenues (₹ crore)					EBITDA (₹ crore)				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
160.36	289.31	334.6	415.32	7.86	40.47	57.90	67.06		
EBITDA margin (%)					Profit after tax (₹ crore)				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
4.9	14.0	17.3	16.1	(7.71)	18.55	31.96	30.89		
Receivables (days)					Inventory (days)				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
70	32	31	30	234	116	98	83		

### What our management feels

"The company outperformed in a challenging phase through nimbleness, credit discipline, protected Balance Sheet, selective mix of conservatism and aggression as well as courageous new product introduction. This validated the conviction that Greenlam perceives opportunities in every economic and market challenge, living the ethos of 'bettering' at all times."



### Snapshot



# How Greenlam strengthened its international laminates business in an uncertain year

## The 3 biggest questions we encountered at the start of FY2020-21



## The big picture of what we achieved



### Overview

In most companies, the export of a consumer-facing product is limited to a small team resulting in a negligible portion of overall revenues. At Greenlam, the reverse is true. The company's international business represents half of all revenues, positioning its global footprint to be as critical as its Indian operations. Greenlam is therefore positioned as a global company located out of India.

When the company entered the business of exports, the model was cost-plus but gradually the company emerged increasingly competitive against European and US producers. Over the years, the company widened its global footprint through

the creation of offices, direct engagement of employees, the creation of a focused international business team and the launch of products specifically addressing global terrains (as opposed to a conventional response of exporting what was made for an Indian market). The result is that international revenues have grown in quantum and proportion of overall revenues.

The company strengthened its international business through selective acquisitions directed towards a widening footprint, launch of global catalogues, attendance at global trade fairs, launch of specific collections for large markets, engagement with OEMs cum retail channels and a deeper focus on specifiers and

opinion makers while building the business ground-level up (direct employeeship coupled with adequate decision-making delegation). The result is that even as Greenlam is an international brand, it is often perceived to be local in those global geographies in terms of operational control and decision-making effectiveness.

By the close of the year under review, Greenlam products were available in 100+ countries, the company comprised 100+ global employees across the globe, covering a varied lingual mix; the company had eight operational global subsidiaries and generated 51.7% of revenues from its international business.

### Our strengths

**Scale:** The company is the third largest laminate player in the world, enhancing visibility and respect

**Widening:** The company extended the application of its products from residential to industrial to exterior, strengthening its one-stop solution proposition

**Footprint:** The company is present across Europe, Africa and Asia; it is marketing in most countries without intermediaries

**Franchise value:** The company widened its global footprint across 100+ countries, accelerating product introduction and sales transmission

**Warehouses:** The company leveraged its network of four overseas warehouses, enhancing responsiveness to emerging market demand

**Competitive:** The company strengthened its competitiveness in a brand-respecting European market where Greenlam products

were as good as European brands and priced more competitively

**Global approach:** The company's global network of offices is managed by employees recruited from the local terrain, enhancing a familiarity with local realities

**Portfolio:** The company provided a complete products portfolio that made it possible to provide customers with a complete solution at a single stop

## Performance, FY2020-21

The year under review was marked by a number of challenges from the outset: the shutting down of various countries as well as transportation modes from and into India (resources and end products) and weak consumer sentiment. Besides, when trade routes opened, there was a sharp increase in freight rates as well as a sharp decline in the availability of shipping containers, stretching supply chain management economics.

The Greenlam management responded to these challenges through various initiatives:

- Pre-emptive purchase of raw materials priced attractively low at a time of demand destruction based on the conviction that demand would revive across the foreseeable future

- Restructured the portfolio to comprise the inclusion of anti-viral laminates (as distinct from the anti-bacterial variety) to address an increasing need

- Shared insights drawn from globally dispersed geographies on the pandemic impact, prompting a proactive resource mobilisation on the one hand and trade partners to mobilise products on the other

- Deeper presence in United Kingdom and Egypt, where the company made significant inroads

- Expansion of new global subsidiaries (Indonesia, Poland and Russia) at a time when the sectorial mood focused on freezing business investments

- Deepened virtual engagement across geographies, sustaining a sales intensity despite the absence of face-to-face contact

- Entered attractive global OEM accounts for laminated kitchen counters or worktop solutions that were launched in 2020 to replace stone kitchen slabs

- Sustained focus on the creation of new markets as opposed to feeding existing ones

- Integrated a company acquired in Europe in the previous financial year, enhancing sales distribution presence and sales throughput

- Leveraged its newly-launched global laminates catalogue, comprising a range of designs under eight exciting themes and generating incremental orders

- Increased traction through the introduction of new products; graduation of commodity products to the value-added

- Pass-on of raw material cost increases from the third quarter onwards

## Outcomes

The company reported a progressive increase in international revenues across every successive quarter.

The company strengthened international business revenues 1.4% over the previous financial year despite business disruption due to the pandemic induced lock-down in the first quarter of

the financial year; as a proportion of revenues, international revenues increased from 46.3% in FY2019-20 to 51.7% in FY2020-21.

## Outlook

The company expects to grow its international business on the back of a growing demand

coming out of home building cum renovation. The company intends to invest in additional manufacturing capacity to service a gradual opening up of

consumer markets the world over. The company expects to leverage its competitiveness by enhancing market shares in the regions of its presence.

## Big numbers



### Case study

#### How we turned our presence in United Kingdom around

The United Kingdom represented one of the most challenging pandemic-affected markets in the world. The country was marked by the longest lockdown and among the highest death rates in the world. The country is also marked by insecurity arising from Brexit and destruction of logistics on account of an impending disengagement from the European Union.

These realities should have warranted a slowdown in consumer offtake and a corresponding wind-down in

the aspiration of companies like ours marketing laminates. However, at Greenlam, we took a contrarian view. We felt that the enforced stay-at-home or work-from-home would generate an additional demand for laminates.

The company activated its warehouses and addressed the do-it-yourself residential segment. As it turned out, demand strengthened and the company capitalised extensively by posting increased revenues from this geography during FY2020-21.

### Case study

#### Greenlam. Responding to the pandemic with an anti-virus laminate product

When the pandemic broke out, one part of our company engaged in designing protocols that would protect employees; another part of our company got down to the challenging task of developing a laminate variety that would protect consumers.

The result of our research and development was that Greenlam launched a relevant product in August 2020 - anti-viral, anti-bacterial and anti-fungal (anti-bacterial and anti-fungal variants had been launched in 2010; they were popularised in 2020-21).

The complement of these decorative laminate products was designed to make bathrooms, hospitals, kitchens, restaurants and other living spaces safer.

By the virtue of creating surfaces that would retard the growth of viral, bacterial and fungal agents, Greenlam helped protect the world.

Greenlam's products were well received by primary and secondary customers within India and the world over, strengthening the company's brand around protection, consumer-centricity and caring.

## What our management feels

"The company demonstrated the attributes of patience, service consistency, flexibility, customer interests and planning in a challenging year. Despite production and labour shortages, the company grew its international business in FY2020-21 through prudent forecasting, courageous resource mobilisation, altered product mix and strengthened sales pipeline. The company kept its global warehouses open through the course of the pandemic, making it possible to occupy shelf-space. The company's partnership ethic deepened and this responsiveness underlined our 'bettering' commitment."



### Snapshot



### Greenlam: Contrarian in a conventional business

<p>The general approach of Indian investors was to trade in laminates export</p> <p>Greenlam selected to invest patiently in building its brand in the global markets instead</p>	<p>Most players feeding exports demand respond to fleeting arbitrage opportunities</p> <p>Greenlam responded to the demanding end, addressing stringent service and specification needs</p>	<p>Most Indian players focus on exports after their domestic aspirations have been satiated</p> <p>Greenlam focused on building its global market as the principal priority</p>
<p>Most Indian players seek to play a small role in the international market</p> <p>Greenlam focused on emerging as the global leader by respect, recall and profitability from the time it went into business</p>	<p>Most Indian players seek markets for whatever they can manufacture.</p> <p>Greenlam brings to its customers the complement of customised products, certification and global presence</p>	<p>Most Indian players focus on the commodity segment as the easiest way to enter the global market</p> <p>Greenlam selected to invest patiently in the premium segment</p>
<p>Most Indian players focused on select countries to limit business-building expenditure</p> <p>Greenlam widened its presence across more than 100 countries, broadbasing its risk</p>	<p>Most Indian players exited countries where it incurred initial losses</p> <p>Greenlam sustained patient investments in large markets, gradually turning them around from loss to profit</p>	<p>Most Indian companies directed their international operations out of a centralised Indian office</p> <p>Greenlam delegated responsibility and authority across its global offices, enhancing ground-level decision-making</p>

### Big numbers of our achievements



# How Greenlam strengthened its Indian laminates business in a volatile year

Creditable quarter-on-quarter growth; record performance in the last quarter of FY2020-21

## The 3 biggest questions we encountered at the start of FY2020-21



## The big picture of what we achieved



### Overview

The general response of most Indian laminate companies at the start of the last financial year was to wait for the market to recover. At Greenlam, we took a differentiated view of the weakness in consumer sentiment. Even as the operating environment was uncertain, we continued to back the long-term India story. We believed that when operating conditions revived (no one knowing when),

there would be a premium on speed, the ability to scale and capitalise on the demand upturn.

Besides, the management was convinced that when consumer demand did return, the unorganised manufacturers would find it increasingly difficult to aggregate their manpower and funding, making it possible for organised players to carve away a larger and quicker market share.

Given this conviction, Greenlam responded with a differentiated perspective: conserve cash, protect the Balance Sheet, engage extensively with trade partners, re-open manufacturing facilities with speed, provide material on demand and send out a strong message that as far as the company's operations were concerned, it was business as usual. This contrarian mindset made all the difference.

### Our initiatives, FY2020-21

- The company protected its talent through the pandemic, enhancing team confidence
- The company was the first Indian laminate manufacturer to reopen its manufacturing facilities and office, strengthening trade partner confidence
- The company's ongoing engagement with trade partners empowered them to service the

growing demand coming out of the home renovation segment of Tier 2, 3 and 4 cities

- The company focused on filling retailer shelves at a time when competitors were struggling to manufacture, enhancing market recall and share

- The company enhanced brand spending (social and electronic media) at a time of sentiment weakness

- The company reinforced the aesthetic dimension of its products with a hygiene perspective (through anti-fungal, anti-bacterial and anti-virus laminate variants)
- The company plugged market gaps, widening its distribution footprint and covering a large cross-section of product influencers

### Outcomes, FY2020-21

The company reported a 12.4% de-growth in domestic laminate sales. However, emphasising into the commodity segment helped provide a single-point consumer solution.

The company strengthened its market share in the organised laminate sector.

The company reported an overall 4.0% decrease in the average realisations per unit of laminate sold due to an extension into the commodity segment of the

domestic market where the average realisations are lower.

The company widened its product mix, strengthening its ability to provide a solution across every price point.

### Strengths

The company reinforced consumer (primary and secondary) confidence with its ten-year product warranty, enhancing a peace of mind

The company evoked confidence on account of the use of imported raw material (European and Japanese), assuring consumers of a world-class product

The company leveraged the power of global certifications (FSC, PEFC, ISO 14001 and OHSAS ISO 45001; ISO 9001, CE, UL, NSF, SEFA, Greenlabel, Greenguard, NEMA (US and BS) and SEDEX) certification for Ethical Trade Initiatives.

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

The company is respected for the introduction of laminate variants that enhance aspirations for a better product, reduce price-sensitivity and enhance value-addition

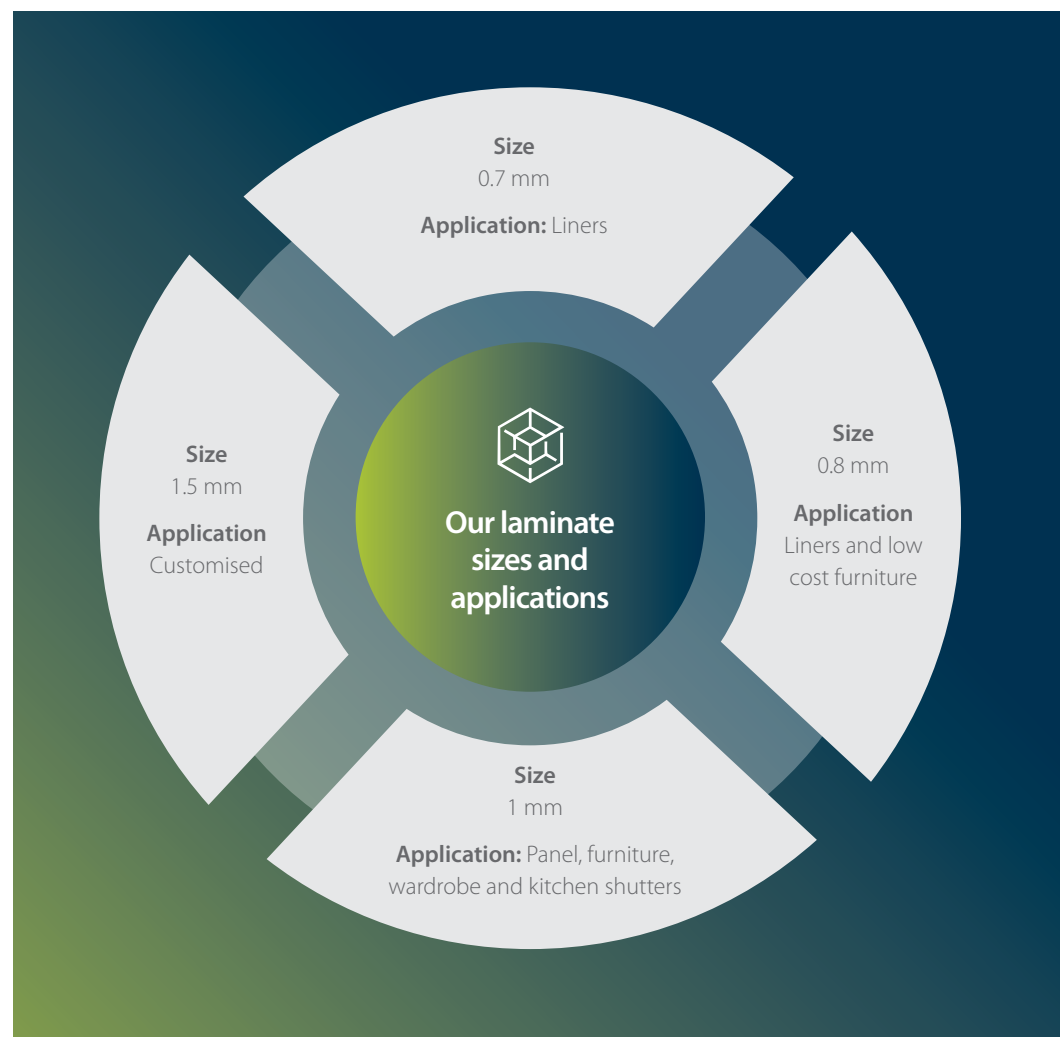
## Outlook

The company intends to provide the right emphasis for the commodity segment (1mm to 0.7mm), backed by a different team and differentiated designs. The company intends to capitalise on the commercial segment, whose demand is expected to revive.

The outlook is also upbeat on account of a greater traction for organised carpentry, in increased interiors pride, greater emphasis on procurement convenience and the emergence of social media applications that enhance aspirations. Besides, the country's population is growing, the proportion of individuals in the

economically active age bracket of 25-45 is rising, there is a traction for branded products and home-bound working is leading to accelerated home renovation as a long-term trend.

## Why we entered the thinner laminate segment in FY2020-21



## Our certifications

**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.

**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.

**OHSAS ISO 45001:** The Occupational Health and Safety Assessment Specification (OHSAS) 45001 is earned by sites that have implemented safety and health management systems to make safety more efficient and integrated into overall business operations.

**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 labeling 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.'

**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.

**Common Era (CE):** The letters 'CE' (Common Era) appears 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 from the University of Michigan's School of Public Health as the National Sanitation Foundation (NSF) to standardise sanitation and food safety requirements.

**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:** Introduced in 1992, Singapore's Green Label is run and awarded by the not-for-profit Singapore Environment Council and is the country's leading environmental standard on most products barring food, beverages and pharmaceuticals. The scheme has certified over 1,000 consumer and industrial products on the basis of reduced environmental impact.

**Greenguard:** The Greenguard Environmental Institute, or GEL, 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.

## What our management feels

"The company transformed a challenging market into an opportunity following its entry into the commodity segment. This entry has widened the company's brand salience, created an entry-level category and has introduced the value of India's organised segment to the commodity segment. The result is that from now onwards, the domestic laminates business will fire on two engines, accounting for a larger market share."

# How we managed our decorative veneers business

How we consolidated the business in a challenging FY2020-21

## The 3 biggest questions we encountered at the start of 2020-21

Can we showcase the product effectively to revive demand?

Can we enhance consumer confidence at a time when physical product appraisal was not possible?

Can we leverage technology effectively to enhance consumer confidence?

## The big picture of what we achieved

We leveraged digital technologies to overcome the physical handicap

We showcased our products wider and faster

We introduced a new way of growing the business

### Overview

The Indian decorative veneer market was pegged at ₹2000 crore in 2020, out of which the organised players make up

for 60% of the market share.

The natural and teak veneer segments are growing at a 5-6% per annum rate. The residential, HNI and hospitality segments are the major growth drivers

of this segment. Greenlam is the country's largest veneer manufacturer with an installed capacity of 4.20 million square meters per annum.

### Challenges and priorities

The year under review was one of the most challenging for the decorative veneers segment on account of the handicaps posed by the Covid-19 pandemic. The handicaps made physical product appraisal difficult and factory visits challenging.

The sector was marked by challenges related to physical product engagement. The company responded in various ways to the unprecedented reality:

The company sent out a message that its manufacturing facilities had reopened from the third week of April 2021, sending out a message that products were available for dispatch

The company strengthened hygiene and precautionary

provisions that enhanced safety in product inspection and appraisal

The company digitalised all its catalogues in the form of online flip books which provided users a unique way of experiencing the product with full sheet view for display and inspection anywhere in the world, transforming challenge into an opportunity.

The company popularised the use of the online veneers portal that enabled veneer selection digitally. This portal gave an access to live selection of stock available at plant by species, size, group and availability, covering some 40,000 sheets to partners.

The company introduced the facility of selecting the veneers through high definition live streaming technology with the help specialised camera setup at the factory site, which enhanced

veneer selection experience digitally without visiting Madera Hub.

Leveraging the online veneers portal & live HD streaming, the company replaced Decofest, the annual post-Diwali physical congregation of dealers, with a phigital (mix of physical and digital) event which helped maximizing the reach of this annual event.

Keeping in mind richer customer experience, newer version of the company's veneer-centric 'Decowood mobile app' was also released

Keeping the focus on the architect's fraternity company also rolled out web based season 5 of Decowood Design Divas - a platform for the women architects & designers to showcase their design strength.

### Achievements, FY2020-21

The company reported a 30.2% decline in revenues during the year under review; revenues in the second half increased 0.50%

over the corresponding period of the previous financial year.

The restricted consumer movements at the start of the financial year under review

affected the offtake of veneers. The Company responded by deepening the marketing of veneers online, an initiative that had commenced in 2018 but gained traction in 2020.

### Highlights, FY2020-21

- Digitalisation of the selection processes for business continuity.
- Natural veneers accounted for 53% of revenues from this business section

- Ensuring customer safety as utter most priority of the brand.
- Decowood veneer benefited from enduring brand recall

- Design Diva – A platform for women architects to showcase the best design.

## Strengths

The company has been engaged in manufacturing veneers for more than 20 years.

The company strengthened brand differentiation through an investment in modern equipment to introduce textures, colours and surface finishes.

The company enjoys a wide range of natural and value-added veneers, widening choice for the consumer

The company enjoys superior traction with product influencers and specifiers in a prescription-based business

The company customised products around pre-polishing

with the objective to moderate on-site fabrication and wastage; the factory-finished varieties saved on-site fabrication time.

The company enjoyed a 30% share of the organised market in FY2020-21. The company is the largest selling premium veneer brand of the country with high brand equity and salience.

## Outlook, FY2020-21

By sweating the swatch, the company intends to deepen its phygital (mix of physical and digital) engagement, widening product access and offtake.

The company expects to grow this business attractively,

capitalising on small and unorganised players being affected by working capital access. Besides, the company expects interiors-pride as a theme to sustain.

The business is expected to contribute attractively to the

company's revenue mix on account of its premiumness, its use in exclusive locations and being priced insignificantly as a proportion of the overall renovation or apartment cost.

## Decorative veneers segment



## How Shanta Ramaswami from Bangalore 'visited' Greenlam's factory in North India... without travelling

Shanta Ramaswami needed to buy veneers for the new study in her apartment following the increased emphasis on working from home.

Shops were closed. She needed to buy. Her interior designer recommended 'visiting' Greenlam's Behror factory.

The designer got Shanta an appointment slot. The Greenlam

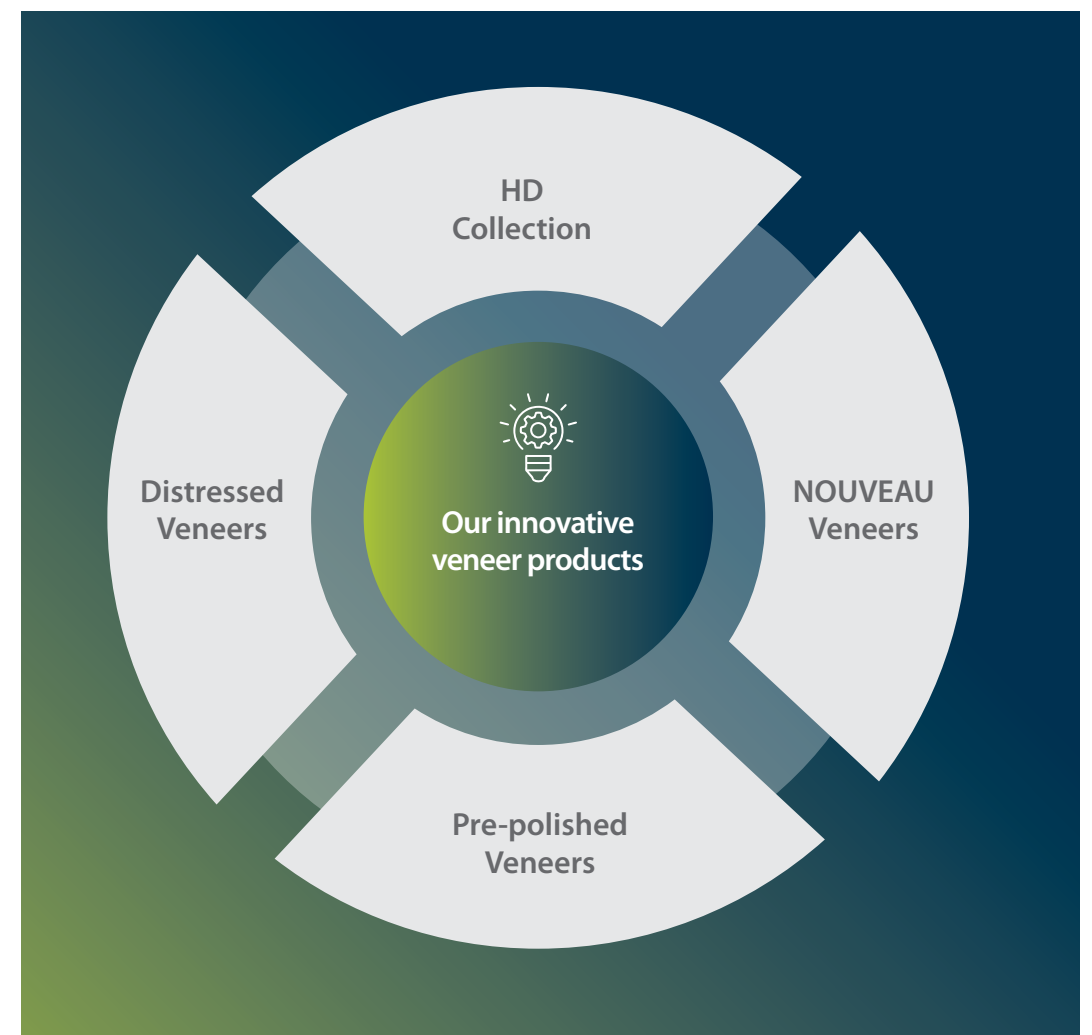
executives understood her requirements. They presented her with a range of options. Each time she liked a veneer design, the Greenlam high density camera would zoom in on the product. Each time she needed a closer inspection, the camera would focus micro.

Shanta may not have purchased a lot but this is what she has

to say about the experience: 'Greenlam executives spent patient time to show me what I needed. Even though I could not physically 'feel' the product, I could do everything else. I saved time and effort; the entire transaction - product selection and payment - was done digitally. This is how most transactions will be done in the future!'

## What our management feels

"The company transformed a market handicap into an opportunity by leveraging the use of digital technology in showcasing products to prospective customers. What used to be a physical engagement conducted at the company's manufacture facility transformed into a digital experience during the last financial year, enhancing customer convenience - lower turnaround time, lower costs and lower commute. This is now going to lead to a different way of selling veneers for time to come."



# How we strengthened our engineered floors business

How we enhanced visibility for the business in FY2020-21

## The 3 biggest questions we encountered at the start of FY2020-21



## The big picture of what we achieved



### Overview

The flooring segment is one of the exciting segments of India's interior infrastructure solutions industry. There is a growing priority in living with floors that appear to be less hard than those with stone or tile finish; besides, there is a greater premium on aesthetic presentability, easy maintenance and convenient installation.

There is a growing excitement related to the wooden flooring market in India on account of a feeling of aesthetic refinement, differentiation from the boring stone or tile finishes and the facility for easy installation.

Greenlam is the only manufacturer of engineered wooden flooring in India with an installed capacity of 1 million square meters per

annum. Greenlam's state-of-the-art manufacturing process and a variety of designs have strengthened business traction. The company's product is engineered to withstand climatic changes typical to India. The company's Mikasa brand provides a unique positioning, wide product range, implementation support and up to a 30-year warranty, enhancing a consumer's peace of mind.

### Challenges and priorities

The year under review represented a challenge for the engineered floors business on account of a perception that a flooring switch would entail the entry of labourers into secure homes at the time of the pandemic. Besides, the business was affected by a slowdown in the real estate sector, fewer property launches and deferred consumer purchases.

The company broad-based its presence across geographies (Indian and international), strengthening revenues.

The company helped in positioning the country as a suitable alternative to China by leveraging the line 'European quality. Made in India'.

The company launched Mikasa Staircase Solution, a factory-finished staircase-centric flooring

solution, strengthening the brand across primary customers.

The company launched a digital campaign on how its products were suitable for applications across diverse sectors (health care, education and hospitality).

### Achievements, 2020-21

The company caught up with pre-Covid sales levels even though

two months of the financial year were lost on account of the lockdown.

### Strengths

The company positioned itself as the only manufacturers of engineered wood flooring in India.

The company leveraged the 'ADD' value (availability, design and durability), strengthening its recall.

The company invested in the largest network of trade partners (400+ flooring product retailers

including 130 with product display space).

The company leveraged the strength of local manufacturing of its engineered wood product that helped in delivering the product with a lesser lead time compared to imported alternatives and moderating the trade partners' working capital outlay.

The company provided up to 30-year product warranty,

emphasizing long-term durability over imported varieties and enhancing consumer trust.

The company provided consumers with a wider design choice than imports.

The company provided floors that could be designed and customised around specific consumer requirements.

### Outlook

The wooden flooring market in India is anticipated to record higher growth figures in the near future with a huge part of it accounted by the expansion

in the Indian construction industry, which will eventually result in the growth of the flooring sector. The company intends to launch a new product and new product collection during the current financial year.

Besides, the company intends to sustain communication about its products that are suited to specific sectorial environments in addition to sustaining consumer engagement through digital initiatives.

### How the Mikasa Staircase Solution wowed a tentative Ms Bhalla

When Aparna Bhalla was told that perhaps Greenlam's Mikasa Staircase Solution would be the right answer to the staircase at her duplex apartment in Gurugram, she felt that perhaps it was something she could do without.

The product would be expensive. The implementation would be time-consuming.

There would be the usual problem related to a design mismatch. There would be considerable product wastage.

Her interior designer only said one line: 'Madam, you might be making a mistake.'

The result is that Ms Bhalla agreed to an online product demonstration. She felt that perhaps there was a case for

the product. She agreed to implement...cautiously.

These are her words following the installation: 'The installation time declined by half. The wastage disappeared. Even though I bought something that I felt was 'expensive', the value I derived was considerably more than what I had anticipated. I emerged the gainer.'

### What our management feels

"The company leverages the shorter lead time & lower working capital to enhance traction among trade partners' dependent on imports, this helped countering imports on the one hand and strengthened the company's recall. As the market improves in FY2020-21, we believe that the advantage of being India's only engineered wooden flooring solution provider will be increasingly visible in our market share."

### Engineered wooden flooring segment



# Our Engineered Doors business

How we broad-based the business in FY2020-21 for robust growth

## The 3 biggest questions we encountered at the start of 2020-21



## The big picture of what we achieved



### Overview

The size of the Indian doors market was catalysed by urbanisation, widening middle-income consumption and growing disposable incomes. In a market full of mostly traditional flush doors, Greenlam introduced a new revolutionary concept with Mikasa doors and frames, which are superior in quality, have a natural progression over the old

carpentry and come in a ready-to-install integrated set. Despite the financial and operational challenges faced by the segment in the first half of FY2020-21, the Company is seeing a recovery since the third quarter of FY2020-21.

The year under review represented a challenge for the engineered doors business where

its biggest catalyst, the real estate development sector, encountered a slowdown on account of labour migration away from cities, staggering construction. This affected the prospects of a business that is still in the process of moving customers away from conventional carpenter-driven fabrication.

### Challenges and priorities

The engineered doors segment in India lost the first two quarters of the last financial year to the lockdown-induced slowdown within India's construction sector. By the virtue of traction for engineered doors largely emerging from the metro cities of India, the business was affected as India's large cities were affected by a high pandemic case load. Most real estate players in India

were affected by low product offtake, with a corresponding decline in the offtake of engineered doors coupled with increased need for longer credit. Besides, regional competition continued to extensively discount the product to sustain their cash flows, weakening product realisations.

Given these realities, the company focused on: controlling credit to

primary customers, protecting the health of the business, leveraging the imported raw material quality and technical specification advantages, impressing upon trade partners the advantage of supply predictability, assuring large buyers of products availability pan-India and provide an overall superior price-value proposition over the imported varieties.

### Strengths

The company leveraged the following strengths during the year under review:

- The capability to provide high strength veneer doors
- The specialised focus on delivering a first rate product beyond unorganised fabrication capabilities
- The positioning of the product as mass premium with corresponding quality advantages
- The ability of the company to provide products anywhere across the country
- The complement of product cum service (delivery and installation)
- The experience of providing products for downstream use across different sectors (residential, commercial, health care and hospitality)
- The ability to provide CBRI-tested fire doors, enhancing customer confidence

## Achievements

Even as the business encountered sluggish market conditions during the first two quarters of the last financial year, the company recovered well enough in the second half to report annual offtake at around the same levels as in the previous financial year.

At a time of logistical disruptions that moderated imports of the finished product, the company worked closer with trade partners to provide timely supplies

and smaller lots, a decisive improvement over imports that warranted large quantities across extended import cycles. This offered trade partners superior working capital efficiency.

The company engaged with prospective buyers to highlight the importance of working with dependable Indian brands like Greenlam.

The company strengthened its ground-level product installation

teams, facilitating material and installation in considerably shorter time spans compared with competition.

The company prospected sales across the retail segment and deepened presence in the National Capital Region.

The company seeded the health care segment with customised products (lead lining doors, RFID doors etc.).

## Outlook

The outlook for the business is optimistic: from a macro perspective, there has been a decline in imports of engineered doors into India on account of increased customs tariff. Besides, a large number of customers are moving towards doors of demanding quality standards that

warrant a closer engagement with proximate solution providers.

From a micro perspective, real estate players encountered a substantial improvement in offtake starting from the third quarter of the last financial year, which should translate into demand growth for engineered doors from mid-2021 and early

2022. The company broad-based the application of this product across the education, hospitality and health care sectors. Besides, the company intends to deepen the marketing of this product in Tier 2 markets. The combination of new markets and segments is expected to catalyse the company's business across the foreseeable future.

## Engineered doors segment



### Case study

#### A Greenlam door for -20 degrees Celsius

Greenlam encountered a challenging project to commission an engineered door in Leh-Ladakh. The company worked closely with the hospitality sector customer

to understand extreme weather realities to provide an engineered wood door to withstand temperature going down to minus 20 degrees centigrade.

### Case study

#### A Greenlam door to shut ambient noise

A prominent hospitality brand in National Capital Region approached Greenlam with a special requirement: it needed acoustic doors. The company

comprehended the customer's needs and delivered one that provides residents with a noise insulated experience

### Case study

#### A Greenlam door that matched the benchmark

A prominent US real estate brand presented India's engineered door sector with demanding needs matching the best US standards. Most Indian players failed to deliver; Greenlam went to the

drawing board to research the product from the basic stage. The company delivered an engineered door model that pleasantly surprised the customer

## What our management feels

"Greenlam encountered a challenging year in its engineered doors business. Even as demand was affected for the first two quarters of the last financial year, the company continued to strengthen the business: it broad-based applications beyond the residential or commercial segments to health care and hospitality with customised products. Besides, it extended marketing from metro cities to non-metro locations. The company's business grew substantially faster in the second half and expects to report attractive growth across the foreseeable future."



# How Greenlam has strengthened its **Manufacturing** function

How we broad-based the business in FY2020-21 for robust growth

## The 3 biggest questions we encountered at the start of FY2020-21



## The big picture of what we achieved



### Overview

Manufacturing operations hold the key to Greenlam's competitiveness, making it possible to manufacture as much

as it needed, produce at a low cost, deliver a range of products and do so around a consistently high quality standard (first time right, minimizing rework costs).

This priority is important in a business where products need to be used across the years, reconciling durability with aesthetics.

### Challenges and priorities

The year under review represented an unprecedented challenge for the company on account of the lockdown imposed by the Indian

government following the outbreak of the pandemic. The company was required to discontinue operations from the last week of the financial year 2019-20, which extended to the third week of FY2020-21, putting

a premium on the company's preparedness to keep its workers safe, resume operations with speed and deliver manufacturing standards around a required capacity utilisation.

### Strengths

The company strengthened its competitive advantage through the following realities:

The company invested in high-productivity equipment, marked by high throughput, space economy and superior equipment availability

The company brings the best in surfacing products to consumers through anti-virus, anti-bacterial and anti-fungal properties as a standard offering across the entire range of Greenlam Laminates and Greenlam Compacts, helping customers redefine their interior spaces.

The company established product consistency through manufacturing integrity

The company leveraged a complement of paper, chemicals and trained manpower

The company possesses a capability in the manufacture of different size of a range products, enhancing its responsiveness to market dynamics

The company leveraged credible certifications (ISO 45001 and Sedex), one of the first in its sector in the country (in HPL sector) to possess the latter

The proprietary technology used by the company has been validated to accommodate continuous process improvement to deliver a range of sizes, variants and combinations

The company possesses the capability to manufacture a range of interior and exterior decorative solutions (engineered doors, real wood flooring) in addition a range of sizes within each product type

The company possesses capabilities in the manufacture of interior and exterior decorative solutions under one brand and roof

## Achievements

The company responded with a number of initiatives to enhance the value derived from its manufacturing operations.

- The company reported a blended laminate capacity utilisation of 87% across both plants it debottlenecked with the objective to increase production to address the demand surge
- The company responded with speed in commencing the production in its two manufacturing facilities from the fourth week of April 2020, possibly the first to do so in its industry
- The company enhanced product features that helped offer new and differentiated products (new textured mold plates and new décor patterns and print papers)
- The company increased floor area (warehousing, storage and new machinery) for smoother product movement; the Mikasa Door Plant building was constructed, machinery added and painting facility automatised, widening product variants and finishes offered
- The company commissioned a new press that enhanced laminate production at its Nalagarh facility, while relocating its existing press to the Behror facility, enhancing net capacity by

150,000 sheets a month around a larger size (1.3m x 3.05m) that helped enhance value-addition and service growing demand

- The company developed and introduced new laminate varieties (combined Anti- Virus, Anti-Bacterial, Anti-Fungus and GreenGuard Gold) around desired quality standards
- The company experimented the use of kraft paper sourced from alternative sources with the objective to moderate procurement costs without compromising established quality standards; the value engineering helped the company counter an increase in raw material costs
- The company commissioned machines that helped fabricate laminate sheets into value-added products
- The company increased the capacity of its Mikasa Doors manufacturing capabilities; the company produced a higher volume of value-added products (Kitchen and Work top range compacts).
- The company strengthened its environment compliance following the extra-statutory investment in wet scrubbers across both plants with the objective to minimise emissions to standards better than those prescribed, coupled with online alarm-based real-time monitoring;

the company invested in reverse osmosis units strengthen water treatment

- The company embarked on the construction of a centralised warehouse in the Behror plant
- The company certified its manufacturing facilities for ISO 45001 (one of the firsts in the industry) and initiate intra-plant meets to imbibe GMPs for overall improvement.
- The company strengthened product quality with corresponding warranty for 10 years
- The company marketed the DIY model work tops in UK and European countries, delivering pre-cut worktops that eliminate hassles of cutting at site, wastage, waste disposal, handling etc.
- The company moderated costs through reduced and recycled wood consumption across the Decowood, Mikasa Engineered Doors and Mikasa Flooring facilities; it expanded the RO water recovery program, strengthened the High Pressure Hot Water system and enhanced recycling (saving 8000+ cubic meters of water).
- Modifications in resin plants reduced batch cooling time, which reduced batch processing time by 15% (apart from controlling the VOC of the resin)

## Outlook

The company intends to sweat its existing manufacturing assets, generating 8-10% increased throughput without significant capital expenditure. The company intends to commission 1 MW of solar renewable energy. The company intends to introduce

new exterior façade variants, Greenlam product variants in 0.70mm for the domestic market, railway applications in Europe through de-bottlenecking and introduce various new Mikasa Engineered Door variants. The company intends to deepen research on horizontal grade

exterior laminates and the FD 120 double door model for hospitals and special entry applications. The long-term manufacturing outlook is to commission a manufacturing unit for particle board, high pressure laminates and pre-laminated boards in South India.

## What our management feels

“Greenlam responded to the lockdown through a culture of preparedness. This made it possible for the company to initiate manufacturing as soon as it was permitted by the Indian government, resulting in a proactive capacity to fill warehouses and retail shelves. Besides, the company increased output, range and quality, strengthening its competitiveness.”

### Behror plant specialisation

- High Pressure Laminates of general purpose, post forming, fire-rated and door size variants in different premium textures and decors.
- Decowood veneers: Natural, Engineered variants in different sizes and thicknesses. Fleece back and MDF or Plywood

- backing options are made available
- MFC: Prelaminated Particle Boards and Prelaminated MDFs
- Mikasa Engineered Doors
- Mikasa Flooring: Engineered and real wood variants in different models and sizes.

### Nalagarh plant specialisation

- 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.
- Restroom cubicles that are pre-fabricated and installed at sites.

## Greenlam's quality certifications



# ESG commitment resides at the core of Greenlam's DNA

## Overview

There is a growing priority the world over on the need for companies to conduct themselves like responsible corporate citizens.

In a world marked by unexpected and unforeseen changes of magnitude, there is a conviction that governance makes it possible to smoothen the corporate curve: abbreviated downcycles coupled with extended up-cycles. Besides, companies with deep governance inevitably enhance stakeholder confidence leading to the creation of long-term shareholder value.

In view of this, governance is not incidental to business but integral to it.

## Greenlam and ESG

At Greenlam, we believe that environment-social-governance (ESG) represents the heart of our business.

This is particularly so in a sector where the product needs to be built with natural resource and any under-performance entails a cost for replacement, inconvenience and replacement.

The environment component in our reporting addresses the world's priority that our business consumes environmentally responsible resources, consumes an optimal quantum, recycles waste, consumes a modest quantum of fossil fuels and builds resistance to climate change, moderating our carbon footprint.

The social component addresses the need to invest in employees, organisational culture, vendor-customer relationships and social responsibility.

The governance component articulates strategic clarity, prioritises values with which our business is conducted, highlights conduct codes, explains Board composition and indicates alignment with UNGC principles, evoking a reasonable expectation across stakeholders.

The combination – environment, social and governance – provides a platform for doing the right things in the right way leading to secure, scalable and sustainable growth.

## Environment

Our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

There is a growing commitment to environmental management systems, environmental due diligence and building disaster planning & response systems across our manufacturing facilities.

At Greenlam, we believe that growth can be best derived when the promoter charts out a

strategic direction and delegates day-to-day micro-management to professionals. The company deepened an investment in processes and systems, especially information technology. Besides, we strengthened an audit-driven and compliance-driven approach, enhancing process predictability.

Resilience towards climate change: There is a commitment to reduce energy intensity, moderate

greenhouse gas emissions intensity and graduate to cleaner fuels.

Reduce our impact on environment and nature: The

company intends to achieve zero waste to landfill and zero effluents discharge while moderating water consumption intensity

At Greenlam, we have strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers and strength of our processes.

## Social

At Greenlam, we believe that business transformation is accelerated by a passionate eco-system mix. In the last few years, this ferment has enriched, strengthening our sectorial outperformance.

**Employees:** At Greenlam, we have created an organisation where merely 'good' is not good enough; we invested in a culture of overarching excellence. This comprised improved quality

(product and process), resource productivity and continuous cost management across economic or sectorial cycles. We made investments to enhance people efficiency and effectiveness. We invested in contemporary talent management practices to aspire to become a Great Place to Work.

**Customers and vendors:** Greenlam deepened relationships with vendors (who provided capital equipment and spares as

well as with primary customers (trade partners). Given the complex nature of material, the company selected to work with a large Indian vendor.

**Community:** The company engaged with community primarily around its manufacturing locations with the objective to widen the circle of prosperity in line with The United Nations' Sustainable Development Goals and national priorities.

## Governance

At Greenlam, our governance platform comprises clarity on the way we intend to do business, attracting stakeholders who also believe in doing business our way. This is visibly reflected in the fact that a large proportion of our partners have remained with us for years, enhancing functional predictability.

**Controlled growth:** At Greenlam, we believe that business sustainability is best derived from controlled growth as opposed to one-off profitability spikes. The company allocated accruals into incremental investments without stretching the Balance Sheet. The company grew revenues every single year since it demerged from its parent except for the last year, owing to pandemic.

**Balanced approach:** At Greenlam, we balanced caution and aggression (strategic aggression and tactical conservatism). We focused on capital investments generating an attractively short-term payback, maximising cash flows. The result

is strengthening gearing and ability to fund expansions largely through accruals or declining debt costs.

**Board of Directors:** At Greenlam, our strategic direction is influenced by our Board of Directors. We have placed a premium on Board composition, which comprises professionals and industrialists of repute. These individuals have enriched our values, experience bandwidth, cross-business understanding and strategic direction.

**Trust:** At Greenlam, we believe that trust is the underlying element why customers buy from us, why employees engage with us, why vendors sell to us, why investors provide us risk capital, why bankers extend credit and why communities support us. Over the years, we enhanced this trust quotient through initiatives described in this document.

**Think long-term:** At Greenlam, we have built our business around long-term prospects,

which has influenced investments in infrastructure, technologies, brands, employees, locations, products and partners, graduating us from the fleeting arbitrage towards multi-year sustainability.

**Singular focus:** At Greenlam, we have positioned ourselves not as much as a laminates company as much as an aesthetics-driven and convenience-driven quality interior infrastructure company (that also manufactures veneers, engineered wooden floors and doors). This holistic positioning has helped enhance cross-sale, widening opportunities, attracting knowledge professionals and strengthening our brand.

**Data-driven:** At Greenlam, we are an analytics-focused organisation, resulting in informed decision-making. Our management shares data with executives and partners, enhancing our marketplace understanding.

# How we have enhanced our Health, Safety and Environment responsibility

## Overview

At Greenlam, our manufacturing responsibility is reflected in our Health-Safety-Environment commitment.

Being a SEDEX-certified organisation, the subject of HSE is critical to our existence, reconciling complete safety and health for workers and the environment.

We believe that a safe working environment enhances employee health, morale and retention, strengthening business brand, competitiveness and sustainability.

## Responding to the pandemic urgency

Following the outbreak of the Covid-19 pandemic, the company prioritised worker safety through the following programmes:

- Intensive training for all employees on social distancing, wearing mask, frequent hand wash, adapted lifestyle and work place roles
- Displays, handouts and floor meets were conducted to increase awareness.
- Contactless hand washing arrangement was made at the gate entry and inside the work area
- Periodic antigen tests were conducted for employees
- Compulsory valid RT-PCR conformance was implemented for visitors or else the antigen test was made mandatory for those seeking to enter
- Quarantine facility was instituted for employees found COVID-positive with a trained factory doctor monitoring progress and discharge.
- All product samples and catalogues were sanitised prior to dispatch from the factories
- All incoming vehicles were sanitised before being permitted to enter

## Awards



## Resource conservation

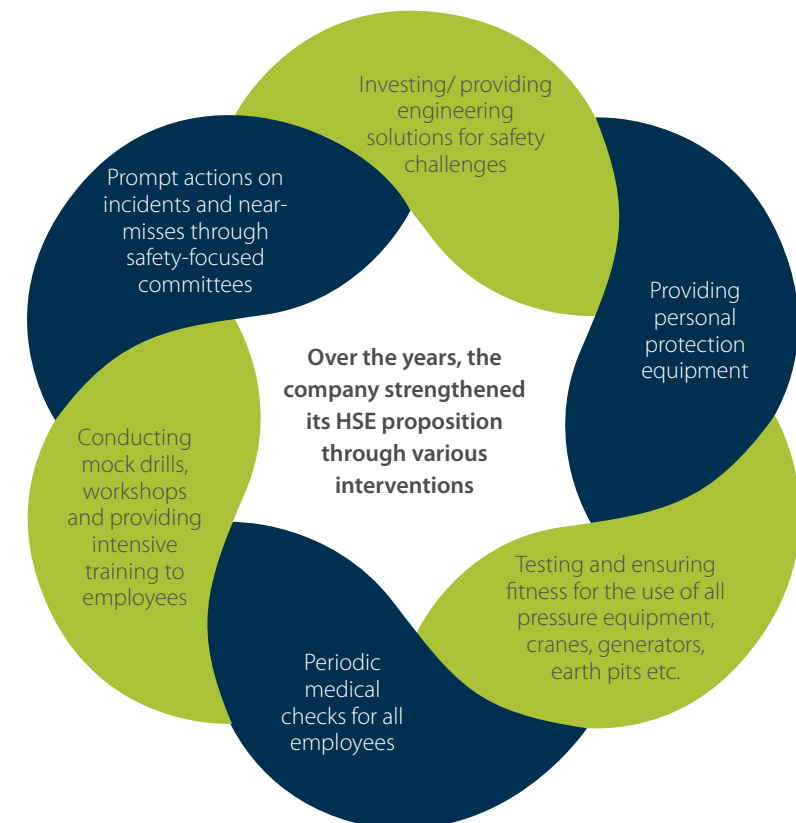
The company reported improved environmental performance, reflected in a reduction of ground water drawal, carbon emissions

and per employee electricity consumption  
In a business where our products are manufactured

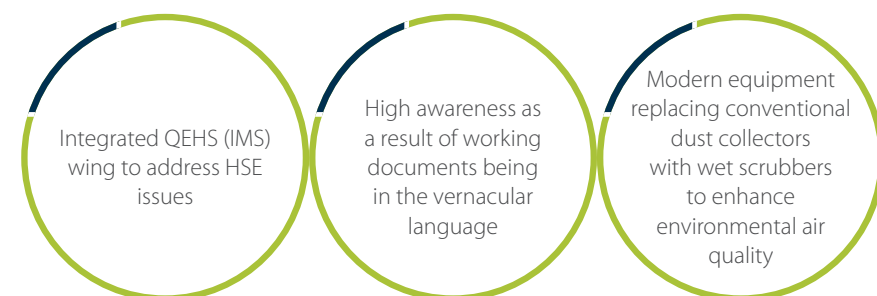
from paper, Greenlam increased the proportion of recycled and bagasse-based paper without compromising product quality or performance.

Parameter	FY2018-19	FY2019-20	FY2020-21
Ground water consumption per unit of product (liters)	15.38	14.82	14.27
Reduction over the previous year	3.9%	3.6%	3.7%
Volume (KL)	9100	8300	8000
Action initiated	Started converting steam heated impregnation systems to Oil heated model	<ul style="list-style-type: none"> <li>• High Pressure Hot water system installation in Behror initiated.</li> <li>• RO water recycling initiated</li> </ul>	<ul style="list-style-type: none"> <li>• All high productive presses converted to High Pressure Hot water system</li> <li>• RO water recycling implemented</li> </ul>

## Our HSE investments



## Our HSE strengths



## Initiatives, FY2020-21

During the current year, the company made HSE-strengthening investments – an increase of 100% over the previous year - in the following:

- Upgradation of the fire hydrant system
- Several new fire extinguishers added and replaced expired ones

- Fire extinguishers procured to address fire specific to locations
- Investment in five component gas detectors and formaldehyde gas detectors to monitor confined space working and work zone emissions
- Red zone boundary safety lights fitted on fork lifts to ensure zero accidents to personnel working in the vicinity

- The organisation upgraded its HSE in conformance with ISO 45001-2018 Standards.
- Periodic surveillance assessments on SEDEX, NSF and CE conformances were completed without non-conformances. The dissemination of HSE practices enhanced a feeling of organisational safety.

## Green cover

The company planted trees in the vicinity of its factory premises and undertook their upkeep through its dedicated horticultural team.

## Outlook, FY2021-22

The company intends to moderate water consumption by 8%, strengthen the renewable energy program with the installation of 1 MW solar panel, maintain fuel consumption at

the present level and increase productivity so that the carbon emissions per sheet can be moderated by at least 2%. The company intends to participate in National Safety Award

competitions and enhance the work place culture to identify and report 1000 Unsafe Conditions. Besides, the company intends to achieve zero fire incidents and halve minor injury incidents.

### Our HSE Policy

Greenlam Industries Limited is committed to:

- Achieve zero accident, zero defect and zero occupational disease in all products, processes and operations.
- Provide safe and healthy working conditions in order to prevent work-related injuries and ill health.
- Reduce Occupational Health and Safety (OH&S) risks and eliminates health hazards by using hierarchy of controls, which include elimination, substitution, engineering, administrative and personal protective equipment controls.
- Comply with all applicable statutory and other applicable

requirements related to OH&S, environment and quality that have relevance to its products, processes and operations.

- Fulfill customer requirements and even try to exceed them wherever feasible.
- Integrate QEHS requirements in all of its processes and operations.
- Minimise our ground water consumption by recycling and reusing waste water and other practical measures.
- Ensure the consultation and participation of workers' representatives in QEHS processes.

▪ Comply with other requirements that maybe applicable to our products, services and operations due to any association, collaboration and subscription.

- Continual improvement of QEHS management system.
  - Provide necessary resources to implement the policy.
  - Protect environment and prevent pollution
- *By encouraging to plant and grow trees*
- *By promoting positive impact of its processes on environment*
- *By minimising negative impact of its processes on environment*



# Our competent supply chain management

## The 3 biggest questions we encountered at the start of FY2020-21

Can we transform our SCM into a competitive advantage?

Can we capitalise on the decline in raw material prices?

Can we provide our SCM partners faith in imminent market recovery?

## The big picture of what we achieved

We invested our surplus cash in making timely resources purchases at the market bottom.

We leveraged resource availability to commence production faster than competition.

We were able to fill vacant shelves, enhance brand recall and enhance market share.

### Overview

In the business of interior product solutions, there is a premium on the ability to aggregate the right

quantum of raw materials at the right time to sustain production, warehousing and consumer access.

### Challenges and mitigations

Managing the supply chain became a major issue especially in case of imports at a time when port operations were discontinued.

China, which is the main source of imports for most countries in

the laminates business, was under a lockdown, disrupting material access.

Greenlam strengthened relationships with global shipping lines, which facilitated a quicker recovery. Greenlam strengthened engagements with local supply chain partners, catalysing timely production.

### Highlights, FY2020-21

▪ The Company strengthened relationships with its existing resource eco-system.

▪ The Company's brand for stability and dependability translated into a protected eco-system that provided material on call.

### Strengths

▪ The Company's strong supply chain partnerships are relatively insulated from trader lobbies

▪ The Company's process orientation helped plan three to six months ahead

### Outlook

The Company expects to strengthen its procurement team to expand its business.

# Information Technology: The backbone of our responsiveness

## Challenges, FY2020-21



## How we responded



## Deployed protective patches

Initiated a complete IT infrastructure assessment to enhance capabilities and security (upgraded bandwidth, VPN licensing, Document Management System capabilities, secured file transfer systems to support WFH environment and leveraged remote video-conferencing)

## Key initiatives

- Enhanced **perimeter security** - Network & Computing Devices
- Strengthened **email security** - Safeguarding Cyber threats through emails
- Reviewed **web security** - Web Filtering and Web Security Gateways

- Deployed systems for **end point security** - Employees desktops, laptops, and mobile devices
- Introduced **self support system for domain login and password issues**
- Enhanced existing CRM platform to address the trade segment

- Migrated application pay loads from on premise to private cloud environment
- Introduced Employee Health Record keeping System based on Arogya Setu status

## Achievements

The company's IT function is coordinating closely with business functions to address emerging technology needs. During the year under review, it took the following technology-based initiatives that re-defined processes:

- Deployed Master Data Management Tool to streamline and standardise the process of material master, supplier

master and customer master management processes

- IT-enabled product pricing, strengthening control and governance
- Introduced system-based budget and actual cost management
- Enhanced ERP systems to address e-Way and E-Invoicing processes
- IT-enabled Channel Finance processes

- Introduced high definition video streaming solution for online Veneer selection during the pandemic

- Enhanced the Customer Product Complaint portal
- Made CRM enhancements to address project and trade enquiries

- Deployed Darwin Box HRM system for better employee engagement

## Outcomes

The company proactively addressed business continuity and strengthened customer service. The company evaluated gaps and strengthened technology service and delivery.

The company prepared for future, considering the new normal and growth requirements.

The function examined customer and employee experiences to enhance business resilience, which resulted in reprioritised

CRM deployment for the trade business. A collaborative approach on technology needs helped align strategy with corporate objectives. A better leverage of key resources outside our function helped increase force-multipliers.

## How our IT team transformed the pandemic into a competitive advantage

When India was locked down and consumers (seeking to renovate their homes) were wary of stepping out, the IT responded with an unusual but timely solution.

It proposed a virtual solution where the consumer could examine the veneer product and arrive at an informed decision.

When the virtual high definition video streaming network was first introduced, trade sceptics abounded. 'There is nothing that can come remotely close to the physical experience,' they pronounced.

Our team proceeded. It evangelised this approach. It advocated the convenience. It highlighted the safety.

Gradually, the responses began to change. The video solution enabled our customers sitting in remote locations to 'virtually enter' our manufacturing facilities and select veneers

Gradually what had been dismissed as unworkable proved to be a game-changer.

# How we created a passionate and engaged people practice at Greenlam



## Our HR vision

'Have the best in class people practices and offer a strong value proposition for anyone within and outside the organisation. Register profitable growth at organisation level which should be mutually rewarding for the employees. Induce a culture of talent development.'



## Our HR goal

'Be an employer of choice within and across the industry'

### Overview

At Greenlam, we believe that people management underscores all organisational initiatives and plans for growth.

During the year under review, there was a premium on employee engagement in view of the pandemic, which put a

priority on enhancing morale, work-from-home effectiveness and corporate outperformance.

### Strategic direction

Over the years, the company maximised the effectiveness of its human resources through strategic priorities:

- Focus on the right hire through job fit and culture compatibility

- Focus on talent development through planned interventions on hard skills and leadership capabilities

- Focus on employee engagement through job enrichment

- Leadership responsibility: A culture of ongoing hand holding, enhancing team capabilities and leading them closer to potential

### HR initiatives, FY2020-21

- The company focused on enhancing people responsiveness coupled with increased responsibility and empathy

- The company deepened connect and engagement

to create a positive work environment

- The company strengthened training and retraining initiatives to enhance preparedness

- The company improved ground-level engagements, reducing the tenure taken for the rebound during the pandemic, and ensuring business continuity.

### Strategy

The Company intends to remain an employer of choice through the following initiatives:

- Deeper presence as an equal opportunity employer
- Creation of a dedicated training cell with enhanced automation

- Promoting Internal Talent as a philosophy.

- Flexible workplace timing with a work-from-home option during the pandemic
- Engagement of women employees representing the

company in the trade market (addressing distributors, retailers and influencers), SCM leadership, logistics, shipments management and containers at depot level (domains conventionally male dominated)

### Outlook

The company intends to sustain a culture of profitable growth through the following initiatives:

- The company intends to sustain high engagement through the pandemic challenges with enhanced focus on employee (and their family) safety

- The company intends to strengthen skills through extent training intensity

- The company focused on sales team training (product knowledge and soft skill development)

- The company intends to institute leadership and mentoring plans for mid-level and first-time managers

# Our approach to strengthen **Community Engagement**



## Our CSR vision

Contributing to improving the quality of life of our communities to ensure long term sustainable impact, in pursuit of economic development and environmental sustainability.

## Overview

Greenlam's Corporate Social Responsibility focus is to promote meaningful interventions that touch the most beneficiaries while focusing on collective impact. From then time the company went into business, the community has been at the center of Greenlam's initiatives. As an extension of this reality, Greenlam's programs are co-created with the communities. The company has been contributing to the economic development and improving life quality of these communities to catalyze

sustainable change in multiple areas.

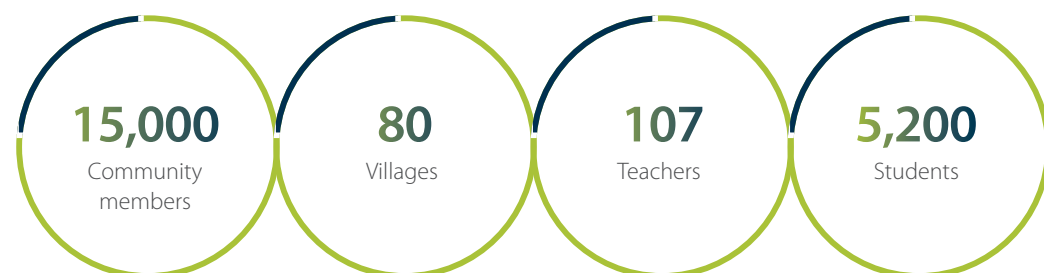
At Greenlam, our corporate citizenship is defined by a number of priorities.

We believe in a sustainable way of operating our business, that integrates environmental and social factors into our governance and decision making. As an extension of this belief, we ensure that our corporate propriety must extend to do those who are not connected with the company but are integral to our existence.

Therefore, the company goes beyond 'cheque-writing' to a deeper engagement with the objective to make a lasting difference and focus on responsible engagement where we empower beneficiaries to assume control of their lives. This is defined by the company's CSR Policy, implemented under the guidance of a CSR Committee and senior management.

As a result, the Company is focused on various areas such as Healthcare and well-being, Education, Water and Sanitation and social equity.

## Greenlam. Touching the lives of...



## Our engagement areas



### Quality Education (Sustainable Development Goal 3)

Promoting education and special education with employment-enhancing skills among children, women, elderly and the differently-abled coupled with livelihood generation



### Good health and well-being (Sustainable Development Goal 4)

Promoting health care including preventive health care and sanitation and making available safe drinking water



### Reduced inequalities (Sustainable Development Goal 10)

Promoting gender equality, empowering women and setting up homes and hostels for women and orphans



### Clean water and sanitation (Sustainable Development Goal 6)

Ensure availability and sustainable management of water and sanitation for all

## Highlights, FY2020-21

Following the outbreak of Covid-19 and India entering a state of lockdown, Greenlam proactively shifted towards digital intervention modes, to ensure program continuity and community resilience. The company embarked on a three-pronged approach:

- Capability building of communities in being

acquainted with digital learning and communication modes

- Generating awareness and best practices for protection against the virus
- Hybrid model of online-offline sessions in small groups with precautions

Greenlam's commitment towards creating positive impact on the communities was recognised by the International BRICS Council. Greenlam won the BRICS Solutions Awards 2020 for the 'Smart Parenthood Program' in the Health and Lifestyle category.

## Interventions FY2020-21

### Healthcare

- Awareness on the latest developments of the virus and best practices like social distancing, mask wearing and sanitizer use

- Positioning a pool of trained volunteers to address COVID 19; Counselling was provided on Health Risks and Livelihood Building Capacities of Frontline Functionaries on COVID-19; awareness generation on vaccination

- Knowledge Enhancement of peer leaders on the issues of RMNCH+A and Covid-19

**Outcome:** Improved knowledge, skills and attitude of community members to leverage technological interventions

### Education

#### A. Improving Learning Outcomes for communities of Nalagarh and Behror

Capability building of parents and children on the usage of digital media (tablets distributed by Pratham), a first step towards making the community technology-oriented

Daily engagement with parents and children through online modes and personalised attention to children through one-on-one engagements

**Outcome:** Continued learning for pre-primary and primary children during the pandemic despite schools being shut

#### B. EyeCanInspire

Production and distribution of non-accessible educational and reference material for the visually impaired in 17 States of India

**Outcome:** Enabling continued and uninterrupted access to learning for the visually impaired in a post COVID world

### Water and WASH

Working towards the long-term goal of Integrated village development for all communities surrounding our factory setups, we have

initiated a holistic intervention on Water, Sanitation and Agriculture in a phase-wise approach.

In the first year, the intervention will aim to address

water-related challenges in the community through improving rainwater harvesting capacity of the villages and increasing availability of water for agriculture purposes.

## Outlook, FY2021-22

Greenlam's vision is to make the current interventions systemic and integrate them into the lifeblood of the community. For the same, the penultimate goal is to make all our interventions sustainable in the long run. We are working

towards the same through the following initiatives:

- Capability building of the community through creation of peer and village leaders to champion various interventions

- Partnerships and collaborations with local government bodies

- Collaboration with the Village panchayat, Pradhan and other important stakeholders to enhance sustainability

## Case study

### Anu Chandel. Teacher in a government school in Nalagarh. Supported by Greenlam.

The educational activities halted following the pandemic outbreak. This was when Saroj Devi, a Greenlam volunteer, enhanced awareness on online learning. She helped the Pratham education team resume contact with mothers, sending teaching and learning material for their children. The mothers showed enthusiasm in helping their children address their educational activities. Inspired, four parents enrolled their children in the local government school. This is what Anu Chandel has to say: "I consider myself lucky to be a part of Pratham's and Greenlam's efforts in Nalagarh. It is a matter of pride to be involved in their noble endeavour to educate children."



## Case study

### Manpreet Kaur is a pre-primary teacher in the government school in Panjehra village (Nalagarh).

She is associated with Pratham's and Greenlam's educational engagement in Nalagarh. When Manpreet began conducting teaching-learning activities in the government school in Panjehra, only one child was enrolled in the pre-primary class.

Manpreet conducted meetings with mothers who were encouraged to realise the importance of educating their children and the efforts of Greenlam and Pratham.

Following the pandemic, the Pratham team leveraged its engagement with the community and school management committee to sustain enrollment. Ten students enrolled. Manpreet says: "I am grateful to be a part of Pratham and Greenlam's work in Nalagarh, through which I have been able to learn so much about the children, parents and other community members of the village. I have been able to learn about the learning levels of children and have been able to contribute in improving the same."



# Directors' Report

FOR THE FINANCIAL YEAR 2020-21

Your Directors have the pleasure in presenting the 8<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, 2021.

## Financial Highlights

(₹ in lakh)

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
<b>Profit before Finance Cost, Depreciation &amp; Amortisation Expenses and Tax Expenses*</b>	<b>16,733.01</b>	<b>18,358.35</b>	<b>18,085.13</b>	<b>18,266.40</b>
Less: Exceptional Items	1,240.17	-	1,240.17	-
Less: a) Finance Costs	1,603.37	2,029.91	1,692.37	2,183.67
b) Depreciation & Amortisation Expenses	5,178.57	4,897.54	5,556.26	5,249.24
<b>Profit before Tax after Exceptional Item</b>	<b>8,710.90</b>	<b>11,430.90</b>	<b>9,596.34</b>	<b>10,833.49</b>
Less: Provision for taxation	2,026.03	2,168.17	2,227.89	2,166.18
Less: Non-controlling Interest	-	-	(7.51)	0.54
<b>Profit for the year</b>	<b>6,684.87</b>	<b>9,262.73</b>	<b>7,375.96</b>	<b>8,666.76</b>
Add: Other Comprehensive Income (OCI) (Net of taxes)	93.7	(126.79)	(95.71)	250.41
<b>Total Comprehensive Income (Net of taxes)</b>	<b>6,778.57</b>	<b>9,135.94</b>	<b>7,280.25</b>	<b>8,917.18</b>
Add: Balance brought forward from previous years	30,021.25	23,077.19	31,339.92	24,613.95
<b>Amount available for appropriation</b>	<b>36,799.82</b>	<b>32,213.13</b>	<b>38,620.17</b>	<b>33,531.13</b>
Appropriations:				
Less: Dividend paid on Equity Shares	-	1,689.55	-	1,689.55
Add: Profit Attributable to Non-Controlling Interest	-	-	-	0.54
Add: OCI Attributable to Non-Controlling Interest	-	-	-	0.13
Less: Tax paid on distribution of dividend	-	2.33	-	2.33
Less: Transferred to General Reserve	500.00	500.00	500.00	500.00
<b>Balance carried to Balance Sheet</b>	<b>36,299.82</b>	<b>30,021.25</b>	<b>38,120.17</b>	<b>31,339.92</b>

\*Including other income

## Operations and State of Affairs of the Company

During the financial year 2020-21, total income of your Company de-grew 9.62% to ₹ 1,12,966.71 lakh as against ₹ 1,24,986.97 lakh in the previous year, due to a sales slowdown in Q1 and Q2 owing to the COVID-19 disruption. There was also a de-growth of 27.84% in the net profit to ₹ 6,684.87 lakh from ₹ 9,262.73 lakh in the previous year. This needs to be viewed against the backdrop of a challenging business environment for the building material sector, marked by weak real estate offtake and a subdued consumer sentiment coupled on account of the outbreak of the COVID-19 pandemic.

Laminates and allied products constituted around 87.93% of our sales; during the financial year 2020-21, sales de-grew 4.10% to ₹ 99,013.90 lakh. Veneer and allied products contributed 12.07% to our sales. Veneer business de-grew 30.25% to ₹ 7,862.93 lakh for the financial year 2020-21. In the engineered

wooden flooring business, your Company reported sales of ₹ 3,255.71 lakh for the financial year 2020-21, de-growth 32.68%. The engineered wooden door set sales de-grew 26.55% to ₹ 2,472.66 lakh in financial year 2020-21.

During the financial year 2020-21, your Company recorded a growth of 8.61% in exports from ₹ 47,993.71 lakh to ₹ 52,126.33 lakh, even as export incentives declined from ₹ 3,797.76 lakh to ₹ 2,520.89 lakh.

As per the Consolidated Financial Statements, total income and the profit after tax for the financial year 2020-21 stood at ₹ 1,20,714.97 lakh and ₹ 7,375.96 lakh respectively.

Your Company intensified efforts in product integration and market penetration as a result of which your Company continued to expand its export presence for laminates and allied products.

The performance of the Company during the financial year 2020-21 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.

## COVID-19, impact, measures and opportunities

### Impact

During the last month of financial year 2019-20, a lockdown was imposed to contain the spread of the Corona Virus (COVID-19) pandemic. This caused an unprecedented business disruption and temporary suspension of operations at the manufacturing facilities in Behror and Nalagarh from March 22, 2020 and March 24, 2020 respectively. The corporate office, branches and warehouses were closed in line with the Government's directives; employees were advised to work from home.

Due to the continuing lockdown, April 2020 was a washout; following the easing of lockdown restrictions, Company reported a gradual sales recovery and the Company recorded highest laminates production and sales in Q4 despite various unprecedented challenges including sharp increase in raw material cost, supply chain disruption etc.

### Measures

After obtaining permission from the authorities, production and operations at the manufacturing facility in Behror resumed from April 20, 2020 and in Nalagarh from April 25, 2020 with hygiene, safety measures and sanitization precautions. The corporate office, branches and warehouses resumed phased operations from May 04, 2020.

The management made a detailed assessment of its liquidity for the last financial year and the carrying value of its assets. In assessing recoverability, the Company considered internal and external information and concluded that there was no material impact on its receivables and no immediate need for assets impairment due to COVID-19.

The Company responded with speed to the loss of business: it moderated costs, focused on international sales and re-negotiated vendor agreements. The Company did not avail of any moratorium offered by the Reserve Bank of India; it serviced debt obligations as and when due without delay. The Company possessed unutilised working capital limits to support liquidity requirements; it moderated costs and conserved cash across levels and these measures are expected to yield benefits.

Employee safety remained the Company's priority. Employees in containment zones were instructed to work from home; international and domestic travel was restricted. Employee safety was assured through

the mandated use of protective gear (masks, goggles, face shields); employees were advised to download the Aarogya Setu app launched by the Government of India and monitor the same. Safety protocols of temperature sensing, social distancing, sanitizing and washing hands were complied with.

The Company checked employees working across plants to ensure adherence with guidelines by appropriate authorities. The Company ensured that all employees were covered for health insurance (Group Medclaim Policy/Employee State Insurance) coupled with periodic office and warehouse fumigation. All employees were provided face masks; the field sales team was provided face shields complemented by safety advisory.

Social distancing in the production area, canteen, plant entry and exit points were carried out. Cleanliness and fumigation was conducted in the staff and workers' quarters. Sanitization of dispatches and career vehicles enhanced customer confidence.

The Company intensified engagements with dealers and took initiatives to insure contractors against COVID-19 infection; it undertook sanitization at dealer outlets coupled with an awareness on social distancing and hygiene norms. All product catalogues were digitalised.

By the virtue of having stocked adequate material in different international locations, the Company continued to sell in secondary markets through distribution networks even when the manufacturing facilities in India had been closed on account of the lockdown.

## Opportunities

The bottom-up global presence of more than 25 years makes the Company different from a number of Indian manufacturers who manufacture in India and seek to service international markets long-distance. Besides, the Company enjoys relatively modest market shares in countries where it is present, indicating a growth headroom. It believes 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 Greenlam. Imports could decline (especially in the engineered wooden flooring and engineered door segments), creating a larger opportunity for world-class, home-grown brands like Greenlam. In this sectorial churn, local and regional companies could yield ground to large international brands like Greenlam.

## Dividend

Your Directors recommended a final dividend of ₹5/- per equity share (previous year interim dividend of ₹4/- per equity share) on the Company's 2,41,36,374 equity shares of ₹5/- each for the financial year 2020-21, in its meeting held on May 27, 2021. The final dividend on the equity shares, if declared as above, would entail a total outflow of ₹ 1206.82 lakh. 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

Despite the uncertainties and immediate challenges being faced due to the spread of the COVID-19 pandemic and remedial lockdowns, the Company's outlook remains favourable. This is on account of the fact that the Company has been strengthening its processes continuously and is likely to emerge stronger from the pandemic. The Company's product integration capabilities, growing brand popularity and continuous support from employees, shareholders, creditors, consumers, distributors, dealers and lenders is expected to contribute towards growth. The Company's vision is to emerge as a one-stop solution for all decorative surface products (in its field of operations). 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.

In view of these realities, your Directors are confident of better results.

### Credit Rating

During the financial year 2020-21, CARE Ratings Ltd. has reaffirmed the credit rating "CARE A+; Stable" in respect of long term bank facilities of ₹319.37 crores (Enhanced from ₹259.10 crores) and "CARE A1+" for short term bank facilities of ₹230.00 crores.

### Subsidiaries and its Performance

As on March 31, 2021, your Company has ten overseas subsidiaries and step-down subsidiaries viz. Greenlam Asia Pacific Pte. Ltd., Singapore, Greenlam America, Inc., USA, Greenlam Europe (UK) Ltd., 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 one Indian subsidiary Greenlam South Limited.

Greenlam Asia Pacific Pte. Ltd., Singapore subsidiary, is engaged in the business of trading of high-pressure decorative 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. Greenlam South Limited, wholly owned subsidiary (WOS) in India is setting up a greenfield project in Naidupeta, Nellore, Andhra Pradesh for manufacturing of 1.5 million laminate sheets/ boards per annum. It has been allotted land admeasuring 66.49 acers by Andhra Pradesh Industrial Infrastructure Corporation Limited for this project. Necessary steps are being taken to obtain required approvals and licenses and the commercial production is expected by F.Y 2022-23.

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. Further, 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 in Thailand while 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 Greenlam Decolan SA, wholly owned (step down) subsidiary of the Company is engaged in the business of wholesaler, importer and exporter of decorative surfaces solutions and products such as High Pressure Laminates, and allied products.

Further, Greenlam Asia Pacific Pte. Ltd. on May 05, 2020, incorporated a new subsidiary in Indonesia under the name and style of "PT Greenlam Indo Pacific" in Indonesia, to carry out, inter alia, the business of distributor and wholesaler of laminates and allied products. In the above-said Indonesian company, Greenlam Asia Pacific Pte. Ltd. holds 67% shares and balance share of 33% is held by a local shareholder as per regulations in Indonesia. Accordingly, the said "PT Greenlam Indo Pacific" has become a step-down subsidiary of Greenlam Industries Limited upon its incorporation.

Further, Greenlam Asia Pacific Pte. Ltd. on November 02, 2020, incorporated a new subsidiary in Russian Federation under the name "Limited Liability Company Greenlam Rus" (abbreviated name being "Greenlam Rus LLC"), and on January 08, 2021, incorporated a new subsidiary in Republic of Poland under the name "Greenlam Poland Spółka z ograniczoną odpowiedzialnością" (abbreviated name being "Greenlam Poland Sp. z o.o.") to carry out, inter alia, the business of marketing and distribution of decorative laminates and other paper and/ or wood based products. In the aforesaid Companies, Greenlam Asia Pacific Pte. Ltd. holds 99% shares, and balance 1% share is held by the Greenlam Industries Limited. Accordingly, the Greenlam Rus LLC and Greenlam Poland Sp. z o.o. has become step-down

subsidiaries of Greenlam Industries Limited upon their incorporation.

Apart from **PT Greenlam Indo Pacific, Greenlam Rus LLC** and **Greenlam Poland Sp. z o.o.**, no other company has become or ceased to be subsidiaries, joint ventures 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 2020-21, the net contribution of all the subsidiaries to the Company's consolidated total income, profits before tax (PBT) and profits after tax (PAT) is 5.98%, 9.23% and 9.28% 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 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 and 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of Greenlam South Limited in Form MR-3 for the financial year ended March 31, 2021, is annexed to the report as "Annexure-VII".

### Transfer to General Reserve

The Board of Directors in their meeting held on May 27, 2021 proposed to transfer ₹500.00 lakh to the General Reserve.

### Directors

During the financial year 2020-21, Ms. Sonali Bhagwati Dalal (DIN:01105028), Independent Director of the

Company, completed her tenure and ceased to be an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting of the Company held on August 28, 2020.

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on July 28, 2020 recommended the appointment of Ms. Matangi Gowrishankar (DIN: 01518137) as an Independent Director of the Company to the members of the Company and Ms. Matangi Gowrishankar was appointed as an Independent Women Director not liable to retire by rotation, for a term of five consecutive years with effect from the conclusion of 7<sup>th</sup> Annual General Meeting till the conclusion of 12<sup>th</sup> Annual General Meeting, by the Members of the Company in the 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

For the financial year 2020-21, 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.

Further, in the opinion of Board of Directors, the Independent Directors of the Company appointed during the financial year 2020-21 are persons of integrity and possess relevant expertise and experience.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Saurabh Mittal [DIN: 00273917], Managing Director & CEO 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 27, 2021 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 directors 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 year under review, there was no change in the Share Capital of the Company.

## 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 2020-21, there was no change in the Key Managerial Personnel of the Company.

## Meetings of the Board

Four (4) Board Meetings were held during the financial year ended March 31, 2021. 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, during the year no resolution was passed by the Board of Directors through circulation.

## 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 30, 2021 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 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, 2021, the Audit Committee of the Company comprised of three Independent Directors with Mr. Vijay Kumar Chopra as Chairman and Mr. Sandip Das and Ms. Matangi Gowrishankar as members and one promoter Director Mr. Saurabh Mittal, Managing Director & CEO of the Company as a

member. During the year under review, Ms. Matangi Gowrishankar become a member of the Audit Committee w.e.f. August 28, 2020 and Ms. Sonali Bhagwati Dalal 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, 2021, the Nomination and Remuneration Committee comprises of two Independent Directors with Mr. Sandip Das as Chairman and Mr. Vijay Kumar Chopra as member and a Non-Executive Director Mr. Shiv Prakash Mittal as member. 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, 2021, the Stakeholders' Relationship Committee comprises of one Non-Executive Director Mr. Shiv Prakash Mittal as Chairman, one Independent Director Ms. Matangi Gowrishankar as member and one Executive Director Mr. Saurabh Mittal, Managing Director & CEO of the Company as member. During the financial year, the Committee was reconstituted, consequent to the cessation of Ms. Sonali Bhagwati Dalal on August 28, 2020 and Ms. Matangi Gowrishankar was inducted as member of the Committee. 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, 2021, 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 member, 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 was constituted by the Board of Directors of the Company on November 02, 2020. 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.

### Corporate Social Responsibility Committee

As on March 31, 2021, the Corporate Social Responsibility Committee (CSR Committee) 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, one Non-Executive Director Mr. Shiv Prakash Mittal as Member and one Independent Director Mr. Sandip Das as Member. During the year under review, Mr. Sandip Das become a member of the CSR Committee w.e.f. August 28, 2020 and Ms. Sonali Bhagwati Dalal ceased to be a member of CSR Committee from that date. 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/CorporateSocialResponsibilityPolicy.pdf>

The Average Net Profits of the Company for the last three financial years is ₹ 97,08,43,411.33 and accordingly the prescribed CSR expenditure during the financial year 2020-21 was ₹1,94,16,868.23 (i.e. 2% of the Average Net Profits of the Company for the last three financial years). The Company had undertaken to spend an amount of ₹1,96,55,387 during the financial year 2020-21 against the mandatory requirement of ₹ 1,94,16,868.23.

However, due to disruption of COVID-19 pandemic, nationwide lockdown and traveling restriction, the Company could spend ₹1,50,79,058.00 towards CSR during the financial year 2020-21 and ₹45,76,329.00, which is relating to its ongoing projects remained unspent. Pursuant to the provisions of Section 135(5) and (6) of the Companies Act, 2013, the unspent CSR amount has been transferred to unspent Corporate Social Responsibility account on April 30, 2021.

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 2020-21, 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 for material related party transactions which has been uploaded on the Company's website. The web-link to the Policy on Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under: <https://www.greenlamindustries.com/pdf-file/related-party-transaction-policy.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, 2021, 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, 2021 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

The wholly owned subsidiary of the Company in Singapore, Greenlam Asia Pacific Pte. Ltd., has incorporated three subsidiaries viz. PT Greenlam Indo Pacific, in Indonesia, with 67% shareholding, to carry out the business of distributor and wholesaler of laminates and allied products, Greenlam Rus LLC, in Russian Federation and Greenlam Poland Sp. z o.o in Republic of Poland to carry out, inter alia, the business of marketing and distribution of decorative laminates and other paper and/ or wood based products, Greenlam Asia Pacific Pte. Ltd. holds 99% shares in Greenlam Rus LLC and Greenlam Poland Sp. z o.o, and balance 1% share is held by Greenlam Industries Limited.

The Company at its board meeting held on February 02, 2021 passed a resolution for shifting of its Registered Office from the State of Assam to the State of National Capital Territory ('NCT') of Delhi and consequent alteration in the MOA, subject to approval of shareholders.

Subsequently, the aforesaid matter was approved by the shareholders by passing a special resolution vide postal ballot on March 12, 2021. The Company has filed the requisites forms, inter alia, e-Form INC-23 for the approval of the Regional Director (North Eastern Region) and the same is pending for approval.

There have been no other material changes and commitments affecting the financial position of the Company since the close of financial year ended March 31, 2021 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**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 538979 and on National Stock Exchange of India Limited (NSE) with scrip symbol GREENLAM. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2021-22 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, 2021 forms part of this Annual report. The Statutory Audit Report is self-explanatory and there is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditor in their Statutory Audit Report.

##### **(b) Secretarial Auditors:**

The Board of Directors of the Company at their meeting held on November 02, 2020 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 2020-21.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2021, is annexed herewith as "Annexure-IV".

The Secretarial Auditors of the Company have given an unqualified report for the financial year 2020-21 except the following observation:

"During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the National Stock Exchange of India Limited ("NSE") have 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") have 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 has filed applications for waiver for the same and the matter is still pending."

##### **Explanations/comment by the Board on the Secretarial Auditors' Remarks**

The Explanations/comment by the Board on the observations of the Secretarial Auditors is as under:

The Risk Management Committee (RMC) was constituted by the Board of Directors of the Company on November 02, 2020. Subsequent to formation of RMC, National Stock Exchange of India Limited (NSE), levied a fine of ₹5,07,400/- (including GST) for period April 01, 2020 to November 01, 2020 and BSE Limited (BSE), levied a fine of ₹75,520/- (including GST) for period October 01, 2020 to November 01, 2020, on the Company for non-compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Non-constitution of Risk Management Committee.

The Company has paid the aforementioned fine to BSE and NSE under protest and submitted

reply cum waiver application with BSE and NSE which is pending for disposal.

##### **(c) Cost Auditors:**

Your Company was not required to appoint the Cost Auditor for the financial year ended March 31, 2021.

##### **(d) Internal Auditor:**

Mr. Vijay Kumar Bishnoi was appointed as the Internal Auditor of the Company w.e.f. April 01, 2020, to carry out internal audit of Branches, offices and manufacturing units of the Company.

The Audit Committee quarterly reviews the Internal Audit reports.

#### **Annual Return**

The Annual Return of the Company as on March 31, 2021 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 2020-21, 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 2020-21, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

#### **Business Responsibility Report**

As stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance 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.

#### **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, 2021. 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]

Place: New Delhi  
Date: May 27, 2021

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

## Annexures to the Directors' Report

### Annexure-I

### Form AOC-1

### Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to Sub-Section (3) of Section 129 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, 2021	March 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	US\$ (₹73.105)	US\$ (₹73.105)
5.	Share Capital	20,31,48,925.83	11,69,68,000.00
6.	Reserves & Surplus	2,07,49,026.63	11,53,84,033.97
7.	Total Assets	41,21,48,517.91	27,90,81,261.70
8.	Total Liabilities	18,82,50,565.46	4,67,29,227.74
9.	Investments	2,93,96,617.08	Nil
10.	Turnover	1,37,78,44,586.77	76,71,19,349.06
11.	Profit before taxation	1,86,76,865.40	4,98,65,724.66
12.	Provision for taxation	(23,58,221.09)	(27,560.59)
13.	Profit after taxation	1,63,18,644.31	4,98,38,164.07
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, 2021	March 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	GBP (₹100.724)	THB (₹2.342)
5.	Share Capital	1,89,64,333.55	93,67,200.00
6.	Reserves & Surplus	(9,53,84,413.29)	2,60,35,178.58
7.	Total Assets	18,33,88,973.21	10,92,96,149.55
8.	Total Liabilities	25,98,09,052.95	7,38,93,770.96
9.	Investments	Nil	11,70,900.00
10.	Turnover	65,17,81,722.86	63,22,17,210.51
11.	Profit before taxation	2,30,84,452.86	(34,09,781.24)
12.	Provision for taxation	(43,86,030.93)	Nil
13.	Profit after taxation	1,86,98,421.92	(34,09,781.24)
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, 2021	March 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	THB (₹2.342)	IDR (₹0.005)
5.	Share Capital	23,41,800.00	1,21,29,643.80
6.	Reserves & Surplus	(14,65,339.60)	(3,48,677.94)
7.	Total Assets	46,94,575.95	1,29,58,444.79
8.	Total Liabilities	38,18,115.54	11,77,478.93
9.	Investments	46,83,600.00	Nil
10.	Turnover	Nil	1,18,47,228.03
11.	Profit before taxation	(47,297.48)	(15,08,170.11)
12.	Provision for taxation	Nil	59,547.37
13.	Profit after taxation	(47,297.48)	(15,67,717.48)
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, 2021	March 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	CHF (₹ 77.4828)	₹
5.	Share Capital	2,32,44,840.00	7,05,97,240.00
6.	Reserves & Surplus	(3,11,77,374.10)	38,47,61,441.94
7.	Total Assets	42,42,95,037.97	45,84,79,440.53
8.	Total Liabilities	43,22,27,572.07	31,20,758.59
9.	Investments	Nil	Nil
10.	Turnover	70,83,89,520.83	Nil
11.	Profit before taxation	14,68,454.03	(3,46,92,580.94)
12.	Provision for taxation	(65,860.38)	Nil
13.	Profit after taxation	14,02,593.65	(3,46,92,580.94)
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, 2021	December 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	IDR (₹0.005)	Rub (₹ 0.9675)
5.	Share Capital	1,25,75,000.00	18,38,250.00
6.	Reserves & Surplus	(19,09,120.40)	4,18,413.76
7.	Total Assets	2,08,04,617.77	46,26,698.20
8.	Total Liabilities	1,01,38,738.17	23,70,034.44
9.	Investments	Nil	Nil
10.	Turnover	Nil	Nil
11.	Profit before taxation	(19,09,120.40)	5,75,290.98
12.	Provision for taxation	Nil	(1,56,877.22)
13.	Profit after taxation	(19,09,120.40)	4,18,413.76
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.
2.	Date of Acquisition	January 08, 2021#
3.	Reporting period for the subsidiary	December 31, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	PLN (₹ 18.5280)
5.	Share Capital	18,52,800.00
6.	Reserves & Surplus	(13,65,680.35)
7.	Total Assets	19,41,363.84
8.	Total Liabilities	14,46,832.99
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	(13,65,680.35)
12.	Provision for taxation	Nil
13.	Profit after taxation	(13,65,680.35)
14.	Proposed Dividend	Nil
15.	% of shareholding/controlling interest	100%

\* 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).

#Date of incorporation.

#### Notes:

- Name of the Subsidiaries which are yet to commence operations:-
  - Greenlam South Limited. However, It is setting up a greenfield project in Naidupeta, Nellore, Andhra Pradesh for manufacturing of 1.5 million laminate sheets / boards per annum. It has been allotted land admeasuring 66.49 acers by Andhra Pradesh Industrial Infrastructure Corporation Limited for this project. Necessary steps are being taken to obtain required approvals and licenses and the commercial production is expected by F.Y. 2022-23.
  - Greenlam Poland Sp. z o.o.
- 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

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

**Ashok Kumar Sharma**  
Chief Financial Officer

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

Annexure-II  
**Annual Report on Corporate Social Responsibility  
 (CSR) Activities**

**FOR THE FINANCIAL YEAR 2020-21**

[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 undertaking 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:

1. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
2. Promoting health care including preventive health care and sanitation and making available safe drinking water;
3. Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans;
4. Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.

**2. Composition of CSR Committee:**

The composition of the CSR Committee is as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Saurabh Mittal	Chairman (Executive Director)	1	1
2	Mr. Shiv Prakash Mittal	Member (Non-Executive Director)	1	1
3	Ms. Parul Mittal	Member (Executive Director)	1	1
4	Mr. Sandip Das*	Member (Independent Director)	-	-
5	Ms. Sonali Bhagwati Dalal*	Member (Independent Director)	1	1

\*On August 28, 2020, Ms. Sonali Bhagwati Dalal ceased to be member of the committee and Mr. Sandip das was appointed as member of the Committee.

**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): ₹97,08,43,411.33/-**

**7. (a) Two percent of average net profit of the company as per Section 135(5): ₹1,94,16,868.23/-**

(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): \*\*₹1,94,16,868.23/-

\*\*The Company had undertaken to spend an amount of ₹2,38,519/- in addition to the CSR obligation as provided under Sr. No. 7(d) above. Accordingly, the total CSR obligation undertaken by the Company to be spent during the financial year 2020-21 was ₹1,96,55,387/-.

**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
₹1,50,79,058	₹45,76,329	30.04.2021	-	Nil	-

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

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	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 & Nalagarh, Himachal Pradesh	March 2021 - March 2024	₹30,01,477	₹3,00,148	₹27,01,329	No	S M Sehgal Foundation	CSR000000262	
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	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	PAN India	Jan 2021 - Dec 2021	₹25,00,000	₹62,5000	₹18,75,000	No	Mitra Jyoti	CSR000000779	
<b>Total</b>							<b>₹55,01,477</b>	<b>₹9,25,148</b>	<b>₹45,76,329</b>			

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

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) 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 Greenham Udayan Ghar in Ghaziabad.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans	No	Ghaziabad, Uttar Pradesh	₹28,50,000	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	₹31,71,568	No	Mamta-Health Institute for Mother & Child	CSR000001978	
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	₹21,79,748	No	Mamta-Health Institute for Mother & Child	CSR000001978	
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	₹36,56,020	No	PRATHAM Education Foundation	CSR000000258	
5.	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	Nalagarh, Himachal Pradesh	₹22,96,574	No	PRATHAM Education Foundation	CSR000000258	
<b>Total</b>						<b>₹1,41,53,910</b>			

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: N.A.
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹1,50,79,058/-
- (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)	₹1,94,16,868.23/-
(ii)	Total amount spent for the Financial Year	₹1,50,79,058/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil

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

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

**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) (asset-wise details).**

The Company has not created or acquired any capital assets through CSR spent in the Financial Year 2020-21.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).**

The Company had undertaken to spend an amount of ₹ 1,96,55,387 during the financial year 2020-21 against the mandatory requirement of ₹ 1,94,16,868.23. However, due to disruption of COVID-19 pandemic, nationwide lockdown and travelling restriction, the Company could spend ₹ 1,50,79,058.00 towards CSR during the financial year 2020-21 and ₹ 45,76,329.00, which is relating to its ongoing projects remained unspent. Pursuant to the provisions of Section 135(5) and (6) of the Companies Act, 2013, the unspent CSR amount has been transferred to unspent Corporate Social Responsibility account on April 30, 2021.

**For and on behalf of Board of Directors**

Place: New Delhi  
Date: May 27, 2021

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

## Annexures - 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 ₹1,11,57,95,863.00 during financial year 2020-21.	February 02, 2015	Nil

**For and on behalf of Board of Directors**

Place: New Delhi  
Date: May 27, 2021

**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, 2021**

(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**  
Makum Road, Tinsukia,  
Assam – 786125, 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 authorised 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, 2021 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, 2021 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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including erstwhile Regulation); **Not applicable**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not 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, 2009; and **Not applicable**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation); **Not applicable**
- (vi) The other laws, as informed and certified by the Management of the Company which are 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:

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the National Stock Exchange of India Limited (“NSE”) have 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”) have 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 has filed applications for waiver for the same and the matter is still pending.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes, if any, 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 Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance (and at a shorter notice for which necessary approvals obtained, if any), 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 as recorded in the minutes of the meetings of the

Board of Directors or Committee of the Board, as the case may be.

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, following major event have happened which is deemed to have major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has obtained the approval of shareholders through Postal Ballot for shifting of registered office of the Company from the “**State of Assam**” to the “**National Capital Territory (“NCT”) of Delhi**”.

**For Chandrasekaran Associates**  
*Company Secretaries*

**Dr. S. Chandrasekaran**  
*Senior Partner*  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644C000376711

Date: May 27, 2021  
Place: New Delhi

**Note:**

- (i) 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.
- (ii) 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, 2021 pertaining to Financial Year 2020-21.

## Annexure-A

To,  
The Members  
**Greenlam Industries Limited**  
Makum Road, Tinsukia,  
Assam – 786125, India

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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*

### Dr. S. Chandrasekaran

*Senior Partner*  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644C000376711

Date: May 27, 2021  
Place: NewDelhi

## 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:

- a. The Company has been very proactive towards conservation of energy. During the year under review, there was reduction in consumption of ground water by 8000 KL and reduction in Energy consumption by 80,000 KWHrs.
- b. The Company initiated steps to replace the existing steam generating boiler with a new 6 million K.Cal/ hour hot water system and this will reduce the ground water withdrawal by an additional 3,500 KL/ annum.
- c. The above equipment is more thermal efficient and is expected to reduce both fuel consumption and carbon emission by 2.0%.

##### (ii) Steps taken for utilising alternate sources of energy:

Company has been utilizing renewable energy from its solar power plant having capacity of 955 kilowatts. The Company is also exploring to set up another solar power generation panel during the financial year 2021-22.

##### (iii) Capital Investment on energy conservation equipment:

The capital investment required on high-pressure hot water system and its ancillary machinery for replacing the existing steam generating boiler is ₹10 crores approx.

#### (B) Technology Absorption:

##### i. Efforts made towards technology absorption:

- a. New machineries installed to enhance the production capacities and meet the increased demand for work tops and kitchen tops sector in European and UK markets, which includes
  - i. High speed impregnators
  - ii. Textured moulds suitable for WorkTops and Kitchen Tops
  - iii. Panel Saw with full controls

- iv. Development of new resin system required to performance characteristics of the products

- b. Effluent loads from wet spray painting booths has been eliminated by installing a dry concept paint booth in Mikasa door plant. The arrangement is fully compliant to pollution board norms.

##### ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

- a. Revolutionary anti-virus products developed in-house and introduced in the market. With this, the Company has been able to offer its products with anti-bacterial, anti-fungal and anti-viral attributes.
- b. Overall wastages in paper was brought down by 0.3%. Thus contributing for a direct saving of natural resources.
- c. Company has indigenised the Kraft paper substitution over imported Kraft paper by over 15 % during the year. Thus, there is an import substitution of about 8000 MT in this variant.
- d. Designer Door and Frames concept has been introduced to meet various needs and segments of building construction. About 25 variants of Architraves have been developed and made available.

##### iii. Information regarding technology imported, during the last 3 years: Nil

- a. Details of technology imported: Nil
- b. Year of import: NA
- c. Whether the technology been fully absorbed: NA
- d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof: NA

##### iv. Expenditure incurred on Research and Development:

- a. Capital: Nil
- b. Recurring: ₹ 18 lacs on Fire Related additives for trials.

### 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 lakh)

Particulars	March 31, 2021	March 31, 2020
<b>Earnings on account of:</b>		
a) FOB value of exports	51,022.86	47,531.41
b) Others	55.08	71.38
<b>Total</b>	<b>51,077.94</b>	<b>47,602.79</b>
<b>Outgo on account of:</b>		
a) Raw materials	24,476.08	34,457.93
b) Capital goods	550.27	425.11
c) Traded goods	-	-
d) Stores & spare parts	154.82	346.18
e) Others	482.56	653.25
<b>Total</b>	<b>25,663.72</b>	<b>35,882.47</b>

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 27, 2021

### Annexure-VI

#### A. Particulars of employees for the year ended March 31, 2021 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 2020-21 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	8.16
2.	Mr. Saurabh Mittal	Managing Director & CEO	149.29
3.	Ms. Parul Mittal	Whole-time Director	102.10
4.	Mr. Vijay Kumar Chopra	Independent Director	8.74
5.	Mr. Sandip Das	Independent Director	8.89
6.	Ms. Sonali Bhagwati Dalal*	Independent Director	3.70
7.	Ms. Matangi Gowrishankar#	Independent Director	5.19

\* Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be a Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

# Ms. Matangi Gowrishankar was appointed as an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21:

Sl. No.	Name of Director/KMP	Designation	% increase in Remuneration in the financial year 2020-21
1.	Mr. Shiv Prakash Mittal	Non-Executive Chairman	24.44%
2.	Mr. Saurabh Mittal	Managing Director & CEO	(21.10%)
3.	Ms. Parul Mittal	Whole-time Director	1.59%
4.	Mr. Vijay Kumar Chopra	Independent Director	(3.61%)
5.	Mr. Sandip Das	Independent Director	17.82%
6.	Ms. Sonali Bhagwati Dalal@	Independent Director	(61.41%)
7.	Matangi Gowrishankar#	Independent Director	Not Applicable
8.	Mr. Ashok Kumar Sharma	Chief Financial Officer	(6.76%)
9.	Mr. Prakash Kumar Biswal	Company Secretary & Vice President - Legal	(6.42%)

@ Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be a Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

# Ms. Matangi Gowrishankar was appointed as an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

iii. The percentage increase in the median remuneration of employees of the Company in the financial year:

During the financial year 2020-21, the median remuneration of employees of the Company was increased by 0.08%.

iv. The number of permanent employees on the rolls of Company:

As on March 31, 2021, there were 1900 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 decrease in salary of the Company's employee (other than the managerial personnel) during the financial year 2020-21 was approximately 2.93%.

The total managerial remuneration for the financial year 2020-21 was decreased by 11.28 % to ₹7,85,36,000.00 as against ₹8,85,28,984.00 during the financial year 2019-20.

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, 2021 is as per the Remuneration Policy of the Company.

**B. Particulars of employees for the year ended March 31, 2021 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	45	Managing Director & CEO	4,09,86,000	B.Com	24	01/04/2002	Himalaya Granites Limited
2.	Ms. Parul Mittal	43	Whole-time Director	2,80,30,000	B.Com	19	11/11/2014	Greenply Industries Limited
3.	Mr. BL Sharma	64	Head of Manufacturing	2,64,68,556	B.Sc., LLB, MBA	40	01/09/2013	Stylam Industries Limited
4.	Mr. Pankaj Rishi	51	COO-Middle East & North Africa	2,06,41,682	BA, MBA	28	01/12/2016	Engineering Building Materials Co. WII
5.	Mr. Anuj Sangal	53	Country Head - Laminates & Allied	1,75,29,940	BE (Civil), MBA	28	01/04/2015	Mayur Ply Industries Private Limited
6.	Mr. Shivaji Mohinta	53	Country Head - Decorative Veneer & Flooring	1,15,56,512	Strategic Mgt. Diploma	31	26/12/2014	Hunter Douglas India Private Limited
7.	Mr. Ashok Kumar Sharma	52	Chief Financial Officer	1,15,17,173	CA	28	23/12/2013	Su-Kam Power System Limited
8.	Mr. Uppaluri Narayana Sarma	51	President - Manufacturing Chip Board & Engineering Services	99,02,884	Diploma in Mechanical Engineering	30	19/03/2018	Associate Decor Limited
9.	Mr. Lokesh Dutt	53	Senior Vice President - Exports	68,74,273	B. Tech, B.E.	28	05/04/1993	Himalaya Granites Limited
10.	Mr. Alex Joseph	44	Senior Vice President - Marketing	64,41,934	MBA, PGDM	21	12/11/2008	TBWA India Limited

**Notes:**

- 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.
- All the employees have requisite experience to discharge the responsibility assigned to them.
- Nature and terms of employment are as per resolution/appointment letter.
- 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, 2021.
- 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**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

Place: New Delhi  
Date: May 27, 2021

Annexure-VII

**Secretarial Audit Report of Greenlam South Limited**

**for the financial year ended on 31st march 2021**

[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 authorised 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 31st March, 2021 ("**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:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (**not applicable to the Company**)
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (**not applicable to the Company**)
- 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**)
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**not applicable to the Company**)
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**not applicable to the Company**)
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**not applicable to the Company**)
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**not applicable to the Company**)
  - The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**not applicable to the Company**)
  - 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**)
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**not applicable to the Company**)
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**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:
- Secretarial Standards issued by The Institute of Company Secretaries of India.
  - 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, 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.

During the period under review, the Company has converted 60,59,724, 0.01% Optionally Convertible Non-Cumulative Preference Shares having face value of ₹10/- each allotted to Greenlam Industries Limited into 60,59,724 Equity Shares of ₹10/- each of the Company.

**for Poonam Agarwal & Associates**

**CS Poonam Agarwal**

M. No. 54346  
COP No. 20335  
Date: 24/05/2021  
Place: New Delhi  
UDIN: A054346C000362159

**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.

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 record is the responsibility of the management of the Company. My 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: 24/05/2021  
Place: New Delhi

# Management Discussion and Analysis

## Global economic overview

The global economy reported a de-growth of 3.5% in 2020 compared to 2.9% in 2019, the worst contraction since World War II. This sharp decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown. This led to supply chain disruptions across the globe, resulting in the de-growth of some of the largest global economies.

Global FDI reported a significant decline from \$1.5 trillion in 2019 to \$859 billion in 2020, the lowest since the 1990s and was more than 30% below the investment trough that followed the 2008-09

global financial meltdown. The collapse of the global economy had an adverse effect on the informally employed and the contract-intensive sector. China was the first economy to rebound from the pandemic with a growth of ~3.2% in the second quarter of 2020. Most European countries including UK, France and Italy recorded four consecutive quarters of GDP de-growth.

	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

## Performance of some major economies

**United States:** The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019, the worst year since World War II. Despite recording an impressive growth rate of 33.4% in the third quarter, it slumped to a growth rate of 4% in the final quarter mainly due to increasing coronavirus cases in that country.

**China:** The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicenter of the outbreak of the novel coronavirus. It was the only major economy able to avoid GDP contraction in CY2020.

**United Kingdom:** Britain's GDP shrank 9.9% in 2020 compared to 1.4% in 2019, the biggest decline since

the Great Frost in 1709 and 2x the annual contraction recorded in the aftermath of the financial crisis in 2009. The second wave of the virus and extended lockdown were some of the biggest factors responsible for the economic weakness.

**Japan:** Japan economy witnessed a contraction of 4.8% in 2020, the first instance of contraction since 2009. Having started the year with a quarterly contraction of 2.1%, it was followed by an increase in the contraction in Q2, 2020 on account of the Covid-19 crisis, which stood at 10.3% and then further followed by 5.8% and 1.1% GDP growth rates recorded in Q3 and Q4, 2020 respectively. This revival in the country's economy could be attributed to the increase in exports. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

## Global economic growth over five years

Year	2016	2017	2018	2019	2020 (E)
Real GDP growth (%)	3.1	3.8	3.6	2.9	(3.5)

(Source: IMF; E: Estimated)

## Outlook

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with additional policy support in the large economies. (Source: IMF)

## Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY2020-21.

At the start of 2020, India was among the seven largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.36 billion the second largest in the world; its rural population of the under-consumed is the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the third week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slipping economy as 1.36 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of financial year 2020-21,

the sharpest de-growth experienced by the company ever since the index was recorded.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, the recovery was not merely linear and across-the-board. As controls relaxed what the country observed was a new normal: where individuals were encouraged to work from home; where inter-city business travel was replaced by virtual engagement; where a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption following the lifting of social distancing controls translated into a full-blown economic recovery. A number of sectors in India - real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. The result is that India de-grew at an improved 7.5 per cent in the July-September quarter and reported 0.4 per cent growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during financial year 2020-21, largely on account of the sharp depreciation of the first quarters. This sharp Indian recovery - one of the most decisive among major economies - validated India's robust long-term consumption potential.

The Indian government moved with speed to arrest the spread of the pandemic, providing its health care sector adequate time to strengthen safeguards. The result is that India escaped with a relatively low pandemic impact given its large population; by the close of financial year 2020-21, the number of recorded infected cases and fatalities had declined substantially as a per cent of the overall population.

India's GDP is estimated to have recorded a de-growth of 7.3% in financial year 21, compared to a growth rate of 4.2% in the previous year. The manufacturing sector accounted for 17.4% (estimated) share in GDP after a reduction of 1010 basis points than last year's 27.5% share.

India began to report improving Goods and Services Tax (GST) collections month-on-month following the relaxation of the lockdown.

The per capita income was estimated to have declined by 5% from ₹ 1.35 lakh in FY2019-20 to ₹ 1.27 lakh in FY2020-21. A sharp slowdown in economic growth and a surge in inflation reflected on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2.83% in 2020 from ₹ 71.28 to ₹ 73.30 levels before recovering towards the close of the financial year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to reach a value of US\$57 billion in 2020, the digital sector being the biggest catalyst. The gap between government expenditure and revenue was estimated at ~₹ 12 trillion due to increased borrowing by the government in May 2020 to deal with the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and is the only country in the emerging market basket that received positive FPIs of \$23.6 billion in 2020, ranking eighth among the world's top stock markets with a m-cap of \$2.5 trillion in 2020.

The government sustained a number of economic reforms to revive investor sentiment. The government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to benefit MSMEs increase employment, enhance labour productivity and wages.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods, and specialty steel. These incentives could attract investments in modern technology, catalysing India's journey towards becoming a global player.

Y-o-Y growth of the Indian economy

Year	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	7.3

Growth of the Indian economy, FY2020-21

Year	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

## Outlook

The outlook for the country appears to be positive in view of the possibility 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 non-performing assets, scams and overcapacity could be over; the medium-term downtrend was caused by the ILFS crisis, select banks collapse as well as affected NBFCs and companies; the short-term downtrend was on account of the pandemic.

There is a possibility of each of these downtrends having played out that could well lead to a multi-year revival in capital investments. Besides, a change in the US leadership could result in a revival in global, trade, benefiting Indian exporters.

The Indian economy is projected to grow by more than 10% in FY22, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performances, flattening of the COVID-19 infection curve, increase in government spending and favourable policies and the quick-roll out of the vaccine, among others.

### Global furniture market overview

The global furniture market size is anticipated to increase from US\$ 423.55 billion in 2020 to US\$ 538.40 billion in 2026 at a CAGR of 4.1% during 2021-2026. The rise in purchasing power of consumers has catalysed the growth of the housing sector. The increased standard of living in the developing countries of the Asia-Pacific (China and India especially) has helped create a wider market for advanced interior designs. In these countries, home building has accelerated, creating the primary demand for furniture in addition to the room for renovation addressed by the development of better engineered and ready-to-assemble products. *(Source: Wicz, Market Watch)*

### Indian furniture market 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. India's market share in the global furniture industry is less than 5%, indicating potential. The year under review was highlighted by the Covid-19 pandemic and the nationwide lockdown, which altered personal and professional lives. From work from home to online classes and individuals' extended need for indoor time, the need for multi-functional, convenient and customised furniture increased. This was coupled with a decline in international trade; the promotion of the 'Make in India' campaign boosted the Indian manufacturing sector. Apart from domestic sales, India's furniture exports are expected to rise as a number of countries seek to shift their manufacturing base away from China and seek alternative manufacturing locations. *(Source: Globenewswire, Indianretailer)*

### Global laminates market overview

Laminates represent an aesthetic means to decorate interiors, increasing surface life-spans. To enhance impact, laminates are offered in a range of designs, textures and colors to serve different purposes. Some of

the raw materials mandated in the manufacture of these products comprise tissue paper, kraft paper, decorative paper, methanol, melamine, formaldehyde and phenol.

The global decorative laminates market was US\$ 8 billion by revenue in 2020. The Asia-Pacific market is the largest and accounted for more than 46% of the global revenue in 2020. The rise in purchasing power and growth in the residential and non-residential construction spending in Indonesia and India strengthened regional demand. Besides, the economic revival is expected to influence consumer spending on home decor, furniture and furnishings.

With the UK government estimated to invest over US\$ 100 billion on infrastructure development in 2021, the UK and the European decorative laminates market are anticipated to report significant growth. The growing trend for attractive customised interiors in houses and offices is expected to drive higher demand for North America's decorative laminates. The Middle East and African regions are likely to also emerge as an attraction for this industry due to hotel expansions and the growth of the real estate industry in South Africa and UAE.

### Global veneers segment

The global veneers sheet market is growing on account of a widening need to build more fashionable interiors, a trend catalysed by the social media and growing home pride. The market was valued at US\$ 6650.5 million in 2019 and US\$ 6843 million in 2020, expected to grow to US\$ 7545.8 million by 2027. *(Source: MarketWatch)*

### Global engineered wooden floors

There is a growing preference for engineered wooden floors on account of their aesthetic presentability on the one hand and the sheer convenience in installation on the other. 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.

Catalysed 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. *(Source: Mordor Intelligence, MarketWatch)*

### Global engineered wooden doors

The global engineered doors represent a growing trend because factory-finished products can be manufactured in large quantities in quick time, can

be fabricated off-site and can be machined to the right precision. A rise in the use of engineered wood for the fabrication of products like doors is enhancing home affordability, reconstruction, renovation, and remodelling of old buildings.

### Demand drivers

**Increasing population:** India's population growth is anticipated to catalyse higher demand for houses and therefore, a higher demand for furniture in the country as well.

**Rising urbanisation:** The population of urban India is estimated to rise from 34.47% of the total population in 2020 to 39% in 2036.

**Real estate development:** The value of Indian real estate market is expected to reach to US\$ 1 trillion by 2030, catalyzed by increasing incomes and rising urbanisation.

**Online retail sector:** With houses emerging as offices following the onset of Covid-19, employees are now investing in home office furniture (study tables, laptop tables and office chairs, among others). The Indian e-commerce sector, earlier estimated at US\$ 200 billion by 2026, is now expected to achieve this target earlier.

**Housing for all:** Under this scheme, the Government seeks to construct 1.12 crore houses in the urban areas

of the country by 2022, catalyzing furniture demand.

**Social media influence:** Social media apps mainly Facebook and Instagram have become a major source of demand for furniture industry in the past few years. As of 2020, Facebook and Instagram consisted of 2.6 billion and 1 billion active monthly users respectively. Multiple business products available on Facebook's 'Marketplace' option and business pages of furniture stores on Instagram have been contributing to the growth of the Indian furniture industry.

*(Source: Statista, Trading economics, The wire, Indianretailer, IBEF)*

### Company overview

Greenlam Industries Limited, a one-stop solution provider for surfacing products, has emerged as the largest laminate manufacturer in Asia and among the three largest in the world. The Company is also the only manufacturer of engineered wooden flooring and the first organised manufacturer of engineered wooden doors.

With a production capacity of 15.62 million laminate sheets per annum and an installed capacity of 4.2 million square metres per annum of decorative veneers, Greenlam engages in the production of state-of-the-art manufacturing facilities in Behror and Nalagarh. Greenlam laminates not only transform 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 FY2020-21:** 13.57 million sheets

**Production de-growth over FY2019-20:** 1.2%

**Capacity utilisation:** 87%

**Sales Volume, FY2020-21:** 13.49 million sheets

**Sales volume growth over FY2019-20:** 1.4%

**Revenues, FY2020-21:** ₹ 990.1 crore

**Segment contribution to total revenues, FY2020-21:** ~88%

**Revenue de-growth, FY2020-21:** 4.1%

### Overview

Due to the slow real estate sector growth in India and lack of liquidity due to the Covid-19 pandemic, the Indian laminates sector was affected in FY2020-21. Greenlam is the leading brand in decorative laminates, recognised for its ability to bring a variety of best laminates to the market. Greenlam provides a range of options to select from, including standard, metallic and textured. Despite a weakness in the market in the first half of the year under review, Greenlam reported positive cash flows, which helped enhance its market share.

### Outlook

Greenlam expects to provide right emphasis for the commodity segment (1 mm to 0.7 mm), with an intention to capitalise on the commercial front, the demand of which is expected to revive. Moreover, the country's growing population and the proportion of individuals in the economically active age bracket of 25-45 is on the rise, further, contributing to the growth of the laminates segment.

### Decorative veneers business

Manufacturing facility: Behror, Rajasthan  
Installed capacity: 4.20 million square meters per annum  
Brand: Decowood  
Production, FY2020-21: 1.08 million square meters  
Production de-growth: 31.1%

Capacity Utilisation: 26.0%  
Sales during FY2020-21: 1.12 million square metres  
Sales volume de-growth: 27.0%  
Revenues earned during FY2020-21: ₹ 78.6 crore  
Contribution to total revenues during FY2020-21: 7.0%  
Revenue de-growth during FY2020-21: 30.2%

#### Overview

The Indian decorative veneer market was valued at ₹ 2000 crore in 2020, out of which the organised players accounted for 60% market share. The growth drivers of the segment comprised demand from the residential, high net worth individual and hospitality segments. Greenlam retained its position as the country's largest veneer manufacturer with an installed capacity of 4.20 million square meters per annum.

#### Outlook

By leveraging the power of its swatch, Greenlam expects to deepen its phygital (mix of physical and digital) engagement, widening product access and offtake. The Company expects to grow its veneers business attractively by capitalising on a sectoral churn in which branded and organised brands are gaining market share and acceptability.

### Engineered wooden floors business

Manufacturing facility: Behror, Rajasthan  
Brand: Mikasa  
Production FY2020-21: 0.013 million square meters  
Production de-growth: 40.3%

Capacity Utilisation: 13.0%  
Sales during FY2020-21: 0.012 million square metres  
Sales Volume de-growth: 40.4%  
Revenues earned during FY2020-21: ₹ 32.6 crore  
Contribution to total revenues during FY2020-21: 2.9%  
Revenue de-growth during FY2020-21: 32.7%

#### Overview

Engineered wooden floors has emerged as one of the most exciting segments of India's interior infrastructure solutions. This is on account of the fact that engineered wooden floors appear less hard than those with stone or tile finish. Besides, engineered wooden floors deliver premium aesthetic presentability, easy maintenance and convenient installation.

Greenlam is the only manufacturer of engineered wooden flooring in India with an installed capacity of 1 million square meters per annum. Greenlam's state-of-the-art manufacturing process and a variety of designs have strengthened business traction. The company's products are engineered to withstand climatic changes typical to the country. The company's Mikasa brand provides a unique positioning, wide product range, implementation support and up to a 30-year warranty, enhancing a consumer's peace of mind.

#### Outlook

The wooden flooring market in India is anticipated to record higher growth figures in the near future. Greenlam intends to launch new products and product collections, alongwith a focus on sustained communication about its products during the current financial year.

### Engineered wooden doors business

Manufacturing facility: Behror, Rajasthan  
Brand: Mikasa  
Installed capacity: 1.2 lakh doors per annum  
Production, FY2020-21: 28,185 units  
Production de-growth: 18.5%  
Capacity Utilisation: 23.0%

Sales during FY2020-21: 30,439 units  
Sales volume de-growth: 19.5%  
Revenues earned during FY2020-21: ₹ 24.7 crore  
Contribution to total revenues during FY2020-21: 2.2%  
Revenue de-growth during FY2020-21: 26.6%

#### Overview

The Indian doors segment is growing on account of increasing urbanisation, growing middle-class income and rising income levels. In a market of traditional flush doors, Greenlam introduced a new revolutionary concept (Mikasa doors and frames) that are superior, with improvement over traditional carpentry and delivered in a ready-to-install integrated set. Despite the financial and operational challenges faced by the segment in the first half of FY 2020-21, the Company reported a recovery from the third quarter of FY 2020-21. The year under review represented a challenge for the engineered doors business, where its biggest catalyst, the real estate development sector, went through a slowdown on account of labour migration away from cities staggering construction. This affected the prospects of a business that is still in the process of moving customers away from conventional carpenter-driven fabrication.

#### Outlook

The segment enjoys an optimistic outlook, with a decline in imports and increase in shipment charges playing a positive role. Moreover, real estate players encountered a substantial improvement in offtake since Q3 FY 2020-21; the segment is expected to generate positive traction across the foreseeable future.

### Financial overview

Revenue from operations of the Company declined 8.2% from ₹ 1272.2 crore in FY2019-20 to ₹ 1126.1 crore in FY2020-21. The EBITDA margin of the Company improved 140 basis point from 13.1% in FY2019-20 to 14.5% in FY2020-21.

#### Key ratios

Particulars	FY2020-21	FY2019-20
Debt-equity ratio	0.41	0.51
Return on net worth (%)	12.2%	18.9%
Book value per share (₹)	226.35	203.27
Debtors Turnover (days)	45	36
Inventory Turnover (days)	107	99
Interest Coverage Ratio	13.85	10.19
Current Ratio	1.50	1.41
Operating Profit Margin (%)	14.5%	13.1%
Net Profit Margin (%)	5.9%	7.5%

#### Note:

1. Decrease in return on net worth (%) and increase in debtors turnover (days) are largely attributable to business disruption during the first half of the FY 2020-21, due to covid-19 pandemic.
2. Increase in interest coverage ratio is largely attributable to reduction in debt due to better cash flow as well as company's ability to borrow at lower interest rates.

# Corporate Governance Report

FOR THE FINANCIAL YEAR 2020-21

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 comprises of optimum combination of Executive, Non-Executive and Independent Directors including Women Director. As on March 31, 2021, the Board of the Company comprises of 6 (six) directors, consisting of the following;

- One Non-Executive Promoter Chairman
- Two Executive Promoter Directors
- Three Non-Executive Independent Directors

During the financial year 2020-21, Ms. Sonali Bhagwati Dalal (DIN:01105028), Independent Director of the Company, completed her tenure and ceased to be a Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting of the Company held on August 28, 2020.

Further, Ms. Matangi Gowrishankar (DIN:01518137) was appointed as a Non-Executive Director in the category of Independent Women Director not liable to retire by rotation, for a term of five consecutive years with effect from the conclusion of 7<sup>th</sup> Annual General Meeting up to conclusion of 12<sup>th</sup> Annual General Meeting, by the Members of the Company in the 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

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 Obligations, 2015. The Company has two women directors including one Executive Promoter Director and one Non-Executive Independent Director on its Board as of March 31, 2021.

The composition of the Board is in accordance with 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 two 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. All the Independent Directors have satisfied the criteria of independence as laid down in Regulation 16(1)(b) read with 25(8) of the SEBI Listing Regulations and Section 149(6) of the Act, 2013 and 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 7<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 2020-21, 4 (Four) meetings of Board of Directors were held on June 19, 2020; July 28, 2020; November 02, 2020 and February 02, 2021.

During the year no resolution was passed through circulation by the Board of Directors of the Company.

## Risks and concerns

**Competition risk:** Increased competition can result in reduction of the Company's market share.

**Mitigation:** Greenlam's strong distribution network and wide range of products across laminates, veneers, engineered floors and doors categories has helped the Company to deepen its market penetration. Moreover, focus on product quality and innovation is expected to result in growth across the market cycle.

**Product risk:** The Company's products may lose relevance and experience weakened offtake, leading to excess in inventory and decline in revenues.

**Mitigation:** While manufacturing its products, Greenlam not only considers the current but also future trends, product usability, quality, aesthetically pleasing and price-value proposition. Moreover, the Company offers a diverse range of products comprising decorative laminates, veneers, engineered wooden floorings, engineered wooden doors and has established itself as a complete home décor solution provider.

**Finance risk:** The Company's inability of effective financial management could impact its operational sustainability.

**Mitigation:** With a robust receivable and payable management mechanism in place the Company's cash position stood at ₹ 117.3 crore, ensuring optimal financial stability. Moreover, Greenlam also enjoys a debt service ratio of 3.85 and a healthy interest cover of 13.85.

**Quality risk:** Lack of quality in the products can have a severe impact on the products' sales and brand image.

**Mitigation:** Greenlam has state-of-the-art facilities that manufacture best quality products in order to ensure maximisation of resource utilisation and minimisation of wastage.

**Distribution risk:** An inefficient distribution network could restrict the Company's geographical expansion.

**Mitigation:** Greenlam has more than 14,000 dealers, distributors and retailers spread across the country which helps in maintaining a wide and robust logistics network, which further helps in addressing customer needs faster. Besides, the Company's presence in over 100 countries around the world allows it to cater to a wide customer base.

**Technology risk:** Technological obsolescence 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, aiding decision-making, improving efficiencies and ensuring accessing 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 rates in the industry; it creates leaders from within, strengthening prospects. As on March 31, 2021, the Company's payroll employee base stood at 1900.

## Opportunities

Growing consumer preference for branded products is causing a shift from the unorganised to the organised market and we believe that when the market fully recovers from Covid-19 pandemic, 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 players could yield ground to large international brands like Greenlam.

## Threats

Regulatory restrictions on imports from neighboring countries could pose a challenge as in a deeply price-competitive market, passing 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.

The composition of the Board of the Company and the attendance of each Director at the Board Meetings held during the financial year 2020-21 and at the previous Annual General Meeting ("AGM") i.e. at the 7<sup>th</sup> Annual General Meeting held on August 28, 2020 and also the number of other Boards or Board Committees in which the Directors are member/chairperson as on March 31, 2021 are as follows:

Sl. No.	Name of the Directors and DIN	Category of directorship	No. of Board Meeting(s)		Attendance at the 7 <sup>th</sup> AGM	No. of outside directorship(s) held		No. of outside committee(s)@ (in public limited companies)	
			Held	Attended		Public	Private	Member#	Chairman
1.	Mr. Shiv Prakash Mittal [DIN: 00237242]	Non-Executive Chairman-Promoter Director	4	4	Yes	1	5	2	-
2.	Mr. Saurabh Mittal [DIN: 00273917]	Managing Director & CEO-Promoter Director	4	4	Yes	1	8 <sup>^</sup>	-	-
3.	Ms. Parul Mittal [DIN: 00348783]	Whole-time Director-Promoter Director	4	4	Yes	1	3	-	-
4.	Mr. Vijay Kumar Chopra [DIN: 02103940]	Non-Executive - Independent Director	4	4	Yes	4	2	4	3
5.	Mr. Sandip Das [DIN: 00116303]	Non-Executive - Independent Director	4	4	Yes	1	-	2	-
6.	*Ms. Sonali Bhagwati Dalal [DIN: 01105028]	Non-Executive - Independent Director	2	2	Yes	N.A.	N.A.	N.A.	N.A.
7.	#Ms. Matangi Gowrishankar [DIN: 01518137]	Non-Executive - Independent Director	2	2	N.A.	4	4	2	-

\* Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be a Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

# Ms. Matangi Gowrishankar was appointed as Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020.

@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, 2021):**

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 (DIN: 00237242)	Greenpanel Industries Limited	Executive Chairman
2.	Mr. Saurabh Mittal (DIN: 00273917)	None	-
3.	Ms. Parul Mittal (DIN: 00348783)	None	-
4.	Mr. Vijay Kumar Chopra (DIN: 02103940)	IIFL Finance Limited	Independent Director
		Sheela Foam Limited	Independent Director
		IIFL Facilities Services Limited	Independent Director
5.	Mr. Sandip Das (DIN: 00116303)	Sterlite Technologies Limited	Independent Director
6.	Ms. Matangi Gowrishankar (DIN: 01518137)	Gabriel India Limited	Independent Director
		Cyient Limited	Independent Director
		ASHV Finance Limited	Independent Director
		Arohan Financial Services Limited	Independent Director

\*Listed entities also include Companies having debt securities listed on recognised stock exchange.

None of the Directors on the Board 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 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.

**d) Information supplied to the Board of Directors:**

During the financial year 2020-21, 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 2020-21, 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 30, 2021 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, 2021, none of the Non-Executive Directors was holding any shares or convertible instruments in the Company except Mr. Shiv Prakash Mittal who is holding 5,06,000 equity shares of the Company (comprising of 2.10% of the total paid-up share capital).

**g) Familiarisation programme for Independent Directors:**

On an ongoing basis, the Company has conducted the Familiarization program for Independent Directors during the financial year 2020-21. The details for the same have been disclosed on the website of the Company at <https://www.greenlamindustries.com/pdf-file/details-of-familiarization-programme-imparted-to-independent-directors.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	Yes	Mr. Saurabh Mittal Ms. Parul Mittal Mr. Shiv Prakash Mittal
2.	Strategy and strategic planning	Yes	Mr. Saurabh Mittal Ms. Parul Mittal Mr. Shiv Prakash Mittal Mr. Vijay Kumar Chopra Mr. Sandip Das Ms. Matangi Gowrishankar
3.	Critical and innovative thoughts	Yes	Mr. Saurabh Mittal Ms. Parul Mittal Mr. Shiv Prakash Mittal Mr. Vijay Kumar Chopra Mr. Sandip Das Ms. Matangi Gowrishankar
4.	Financial Understanding	Yes	Mr. Saurabh Mittal Mr. Shiv Prakash Mittal Mr. Vijay Kumar Chopra Mr. Sandip Das Ms. Matangi Gowrishankar

Sl. No.	Skills/Expertise/Competencies required by the Board of Directors	Status of availability with the Board	Name of the Director possessing such skills
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 Ms. Parul Mittal Mr. Shiv Prakash Mittal Mr. Vijay Kumar Chopra Mr. Sandip Das Ms. Matangi Gowrishankar
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 Mr. Shiv Prakash Mittal Mr. Vijay Kumar Chopra Mr. Sandip Das Ms. Matangi Gowrishankar

**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 in their meeting held on June 19, 2020 and November 02, 2020, it is confirmed by the Board of directors that Mr. Vijay Kumar Chopra, Mr. Sandip Das and

Ms. Matangi Gowrishankar, 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 2020-21, 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

**3. Code of Conduct**

Details of 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 clearly defined roles 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:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Operational & Finance Committee
- Risk Management Committee

**a) Audit Committee Composition:**

As on March 31, 2021, 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.	Ms. Matangi Gowrishankar	Independent Director	Member
4.	Mr. Saurabh Mittal	Executive-Promoter Director	Member

Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting of the Company held on August 28, 2020 and simultaneously she ceased to be a member of the Audit Committee.

Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a member of the Audit Committee w.e.f. August 28, 2020.

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 fulfil 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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- 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 utilised 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. The role of the Audit Committee with respect to risk management shall include:
  - i. to evaluate and ensure that the Company has an effective internal financial control systems to enable identifying, mitigating and monitoring of the risks to the business of the Company;
  - ii. to ensure the implementation of the suggestions/remarks/comments of the Board of Directors on the Risk Management Plan;
  - iii. monitoring and reviewing the performance of the financial Risk Owners;
  - iv. periodic reporting to the Board of financial risk management issues and actions taken in such regard;
  - v. provide the inputs to the Board for financial business risk mitigation;
  - vi. regularly reviewing and updating the current list of financial risks and reporting the same to the Board;
  - vii. co-ordinate its activities with the RMC in instances where there is any overlap in their duties and responsibilities.

#### 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. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;

- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- f. Statement of deviations:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ii) annual statement of funds utilised 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 2020-21, 4 (four) meetings of the Audit Committee were held on June 19, 2020; July 28, 2020; November 02, 2020; and February 01, 2021.

The attendance of Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Vijay Kumar Chopra	Non-Executive-Independent Director	4	4
Mr. Sandip Das	Non-Executive-Independent Director	4	4
*Ms. Sonali Bhagwati Dalal	Non-Executive-Independent Director	2	2
#Ms. Matangi Gowrishankar	Non-Executive-Independent Director	2	2
Mr. Saurabh Mittal	Executive-Promoter Director	4	4

\* Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting of the Company held on August 28, 2020 and simultaneously she ceased to be a member of the Audit Committee.

# Ms. Matangi Gowrishankar was appointed as Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting held on August 28, 2020 and consequently she was appointed as a member of the Audit Committee.

#### b) Nomination and Remuneration Committee Composition:

As on March 31, 2021, 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.	Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	Member
3.	Mr. Vijay Kumar Chopra	Non-Executive-Independent Director	Member

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Nomination and Remuneration Committee.

#### 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.

#### Meetings and Attendance:

During the financial year 2020-21, 2 (two) meetings of Nomination and Remuneration Committee were held on June 19, 2020 and July 28, 2020 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	2	2

#### 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, 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, 2021 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	1,80,00,000.00	2,11,50,000.00	18,36,000.00	Nil
Ms. Parul Mittal (Whole-time Director)	Re-appointed as Whole-time Director for five years w.e.f. November 11, 2019	90,00,000.00	1,79,50,000.00	10,80,000.00	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 2020-21 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	4,40,000.00	18,00,000.00	5,06,000 equity shares
Mr. Vijay Kumar Chopra	Re-appointed for 3 years as Independent Director at the 6 <sup>th</sup> Annual General Meeting of the Company held on August 10, 2019	6,00,000.00	18,00,000.00	Nil
Mr. Sandip Das	Appointed for 5 years as Independent Director at the Board Meeting of the Company held on June 13, 2019	6,40,000.00	18,00,000.00	Nil
Ms. Sonali Bhagwati Dalal	Re-appointed for 1 year as Independent Director at the 6 <sup>th</sup> Annual General Meeting of the Company held on August 10, 2019 and completed her tenure and ceased to be a director of the Company with effect from the conclusion of 7 <sup>th</sup> Annual General Meeting held on August 28, 2020.	2,80,000.00	7,34,795.00	Nil
Ms. Matangi Gowrishankar	Appointed for a term of five consecutive years with effect from the conclusion of 7 <sup>th</sup> Annual General Meeting 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	3,60,000.00	10,65,205.00	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, 2021 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.	Ms. Matangi Gowrishankar	Non-Executive-Independent Director	Member

Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be an Independent Director of the Company with effect from the conclusion of 7<sup>th</sup> Annual General Meeting of the Company held on August 28, 2020 and simultaneously she ceased to be a member of the Stakeholders' Relationship Committee.

Ms. Matangi Gowrishankar, Independent Director of the Company, was appointed as a member of the Stakeholders' Relationship Committee w.e.f. August 28, 2020.

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.

#### 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. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015;
- xiii. Review the impact of enactments/ amendments issued by the MCA/SEBI and other regulatory authorities on matters concerning the investors in general;
- xiv. 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 2020-21.

#### Number of complaints:

Received	Resolved	Pending
Nil	Nil	Nil

#### Meetings and Attendance:

During the financial year 2020-21, 1 (one) meeting was held on November 02, 2020 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

#### 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, 2021, the Corporate Social Responsibility Committee of the Company comprises of 4 (four) Directors.

Sl. No.	Name of the Committee Members	Category	Designation
1.	Mr. Saurabh Mittal	Executive-Promoter Director	Chairman
2.	Mr. Shiv Prakash Mittal	Non-Executive Promoter Director	Member
3.	Ms. Parul Mittal	Executive-Promoter Director	Member
4.	Ms. Sandip Das	Non-Executive-Independent Director	Member

Ms. Sonali Bhagwati Dalal, Independent Director of the Company, completed her tenure and ceased to be an Independent Director of the Company with effect from the conclusion of 7th Annual General Meeting of the Company held on August 28, 2020 and simultaneously she ceased to be a member of the Corporate Social Responsibility Committee.

Mr. Sandip Das, Independent Director of the Company, was appointed as a member of the Corporate Social Responsibility Committee w.e.f. August 28, 2020.

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Corporate Social Responsibility Committee.

#### 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.

#### Meetings and Attendance:

During the financial year 2020-21, 1 (One) meeting was held on June 19, 2020 and the attendance and composition of Committee Members were as follows:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Saurabh Mittal	Executive-Promoter Director	1	1
Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	1	1
Ms. Parul Mittal	Executive-Promoter Director	1	1
Ms. Sonali Bhagwati Dalal	Non-Executive-Independent Director	1	1
Mr. Sandip Das	Non-Executive-Independent Director	N.A.	N.A.

Also, a resolution was passed by the members of Corporate Social Responsibility Committee through circulation on March 30, 2021 in compliance with the provisions of Section 175 and other applicable provisions of the Act, 2013.

#### e) Operational & Finance Committee

As on March 31, 2021 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 2020-21, 5 (Five) meetings of the Operational & Finance Committee were held on May 29, 2020; July 08, 2020; September 25, 2020; December 14, 2020 and March 03, 2021.

#### 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, 2021, 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	Chairperson
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

##### Terms of Reference of the Risk Management Committee are as below:

The Risk Management Committee shall be responsible for managing, minimizing and monitoring all the non-financial risks and risk related to cyber security as identified by the Board of Directors. The role of the Risk Management Committee shall include:

- To assist the Board with regard to the identification, evaluation, classification and mitigation of non-financial risks and assess management actions to mitigate such risks;
- To evaluate and ensure that the Company has an effective internal control systems to enable identifying, mitigating and monitoring of the non-financial risks to the business of the Company;
- To implement proper internal checks and

balances and review the same periodically;

- To put in place mechanism for ensuring cyber security;
- To ensure the implementation of the suggestions/remarks/comments of the Board of Directors on the Risk Management Plan;
- To monitor and review the performance of the non-financial Risk Owners;
- To review effectiveness of risk management and control system;
- Periodic reporting to the Board of non-financial risk management issues and actions taken in such regard;
- Co-ordinate its activities with the Audit Committee in instances where there is any overlap in their duties and responsibilities.

##### Meetings and Attendance:

During the financial year 2020-21, 1 (One) meeting was held on March 30, 2021 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	1	1
Ms. Parul Mittal	Executive-Promoter Director	1	1
Ms. Matangi Gowrishankar	Non-Executive-Independent Director	1	1
Mr. Sandip Das	Non-Executive-Independent Director	1	1
Mr. Ashok Kumar Sharma	Chief Financial Officer	1	1
Mr. BL Sharma	Head of Manufacturing	1	1
Mr. Devendra Gupta	Vice President - Purchase	1	1

#### 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
FY2019-20	August 28, 2020 [7 <sup>th</sup> AGM]	Video Conferencing/Other Audio Visual Means\$	11:00 A.M.
FY2018-19	August 10, 2019 [6 <sup>th</sup> AGM]	Registered Office at Makum Road, Tinsukia, Assam-786125	9:15 A.M.
FY2017-18	August 28, 2018 [5 <sup>th</sup> AGM]	Registered Office at Makum Road, Tinsukia, Assam-786125	10:15 A.M.

\$ 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. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and other applicable circulars, the Seventh (7<sup>th</sup>) Annual General Meeting of the Company was held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

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

AGM No.	AGM Date	Details of Special Resolutions passed
7 <sup>th</sup>	August 28, 2020	Nil
6 <sup>th</sup>	August 10, 2019	<ol style="list-style-type: none"> <li>Re-appointment of Mr. Saurabh Mittal as Managing Director &amp; CEO of the Company.</li> <li>Re-appointment of Ms. Parul Mittal as Whole-time Director of the Company.</li> <li>Re-appointment of Mr. Vijay Kumar Chopra as an Independent Director of the Company.</li> <li>Re-appointment of Ms. Sonali Bhagwati Dalal as an Independent Director of the Company.</li> </ol>
5 <sup>th</sup>	August 28, 2018	<ol style="list-style-type: none"> <li>To alter the Memorandum of Association of the Company.</li> <li>To approve the payment of remuneration (including any fees or compensation payable) to all the Executive Promoter Directors of the Company as per their existing terms of appointment, notwithstanding their aggregate annual remuneration exceeds 5 percent of the net profits of the Company.</li> </ol>

- The Details of Special Resolutions passed through postal ballot during the financial year 2020-21: During the financial year 2020-21, following Resolution was passed through postal ballot.

The Company had sought the approval of the shareholders by way of a special resolution through notice of postal ballot dated February 02, 2021 for shifting of Registered Office of the Company from the State of Assam to the National Capital Territory ("NCT") of Delhi, which was duly passed on March 12, 2021.

- Person who conducted the Postal Ballot: The Board of Directors of the Company at their meeting held on February 02, 2021, appointed Ms. Nitu Poddar, Senior Associate, M/s Vinod Kothari & Company, Practicing Company Secretaries, as the Scrutinizer to conduct the Postal Ballot through Remote e-voting process in a fair and transparent manner.
- There is no immediate proposal for passing any special resolution through Postal Ballot.
- Procedure for Postal ballot: The postal ballot was 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 Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 39/2020 dated December 31, 2020, 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 sent to Stock Exchanges where the securities of the Company are listed, immediately after they are approved by the Board of Directors. 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 posted 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:

Recommendation	Compliance
Quarterly/Half yearly/Annual results	Published in leading newspapers
Newspapers wherein results are normally published	Dainandini Barta(Assamese Daily), Economic Times, Business Standard, Mint, Business Line 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 Annual General Meeting	On Thursday, August 12, 2021 at 11.30 a.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 2021-22 (tentative and subject to change)	a) <b>First quarter results:</b> On or before August 14, 2021. b) <b>Second quarter and half year results:</b> On or before November 14, 2021. c) <b>Third quarter results:</b> On or before February 14, 2022. d) <b>Fourth quarter results and results for the year ending March 31, 2021:</b> On or before May 30, 2022.
iv.	Dividend payment date	Between August 13, 2021 and August 22, 2021
v.	Listing of Equity Shares at Stock Exchanges	BSE Ltd. ("BSE") Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai-400001 National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051
vi.	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the financial year 2021-22 has been duly paid by the Company.
vii.	Stock Code/Symbol	BSE Scrip Code: 538979 NSE Symbol: GREENLAM

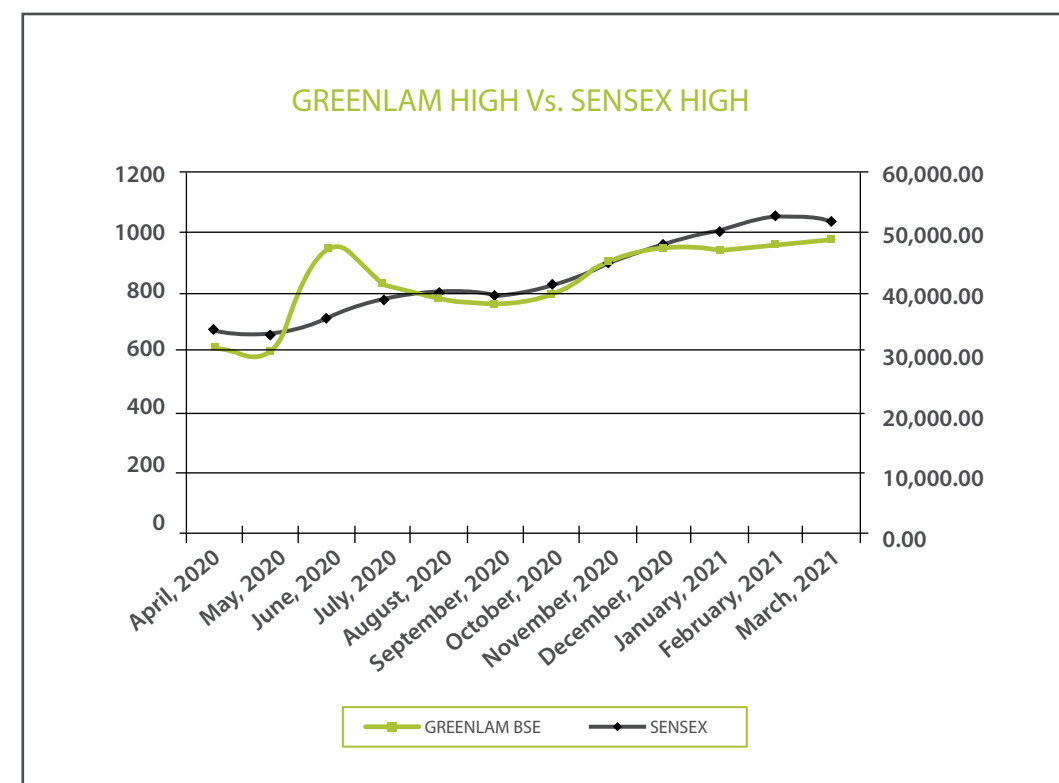
#### viii. Market price data for each month during the financial year 2020-21: Amount in (₹)

Month	At BSE		At NSE	
	High	Low	High	Low
April, 2020	618.00	471.25	628.60	472.50
May, 2020	605.00	554.25	605.10	551.00
June, 2020	944.95	583.80	924.00	572.00
July, 2020	830.00	685.05	814.95	689.00
August, 2020	782.40	585.00	786.00	601.40
September, 2020	759.30	684.95	756.60	676.15
October, 2020	793.85	716.75	786.00	710.30
November, 2020	899.00	712.05	800.00	740.00
December, 2020	948.00	739.70	880.00	732.00
January, 2021	939.90	771.55	943.40	771.00
February, 2021	956.45	811.45	979.60	810.05
March, 2021	976.00	893.60	996.00	893.60

ix. **E-mail ID for Investors:** investor.relations@greenlam.com

x. **Performance in comparison to broad based indices - BSE SENSEX:**

Greenlam Industries Limited share performance:



xi. **Suspension of Securities during the financial year 2020-21:**

During the financial year 2020-21, the securities of the Company were not suspended from trading.

Registrar & Share Transfer Agent ("R&T Agent")	LINK INTIME INDIA PRIVATE LIMITED Contact: Mr. Bharat Bhushan Address: Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Phone No.: +91-11-41410592 Fax No.: +91-11-41410591 Email: delhi@linkintime.co.in
Share Transfer System	The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. SEBI has mandated that, effective April 01, 2019, no share can be transferred in physical mode, except in case of request received for transposition or transmission of securities. Hence, the Company has stopped accepting any fresh lodgement of transfer 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 half year ending September 30, 2020 and March 31, 2021 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, 2021 is as given below:**

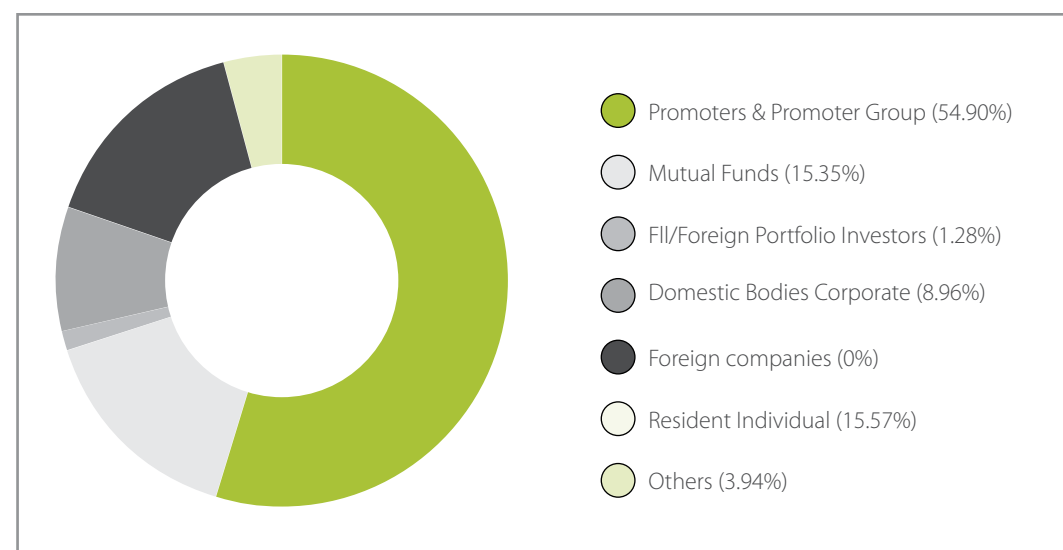
Distribution of shareholding by size is as given below:

Range in number of shares held	Number of shareholders	Percentage of shareholders (%)	Number of shares held	Percentage of shares held (%)
1-500	5,726	94.71	3,53,337	1.46
501-1,000	123	2.03	88,634	0.37
1,001-2,000	90	1.48	1,32,597	0.55
2,001-3,000	26	0.43	65,966	0.27
3,001-4,000	13	0.22	45,949	0.19
4,001-5,000	7	0.12	32,653	0.14
5,001-10,000	20	0.33	1,44,869	0.60
10,001 and above	41	0.68	2,32,72,369	96.42
<b>Total</b>	<b>6,046</b>	<b>100.00</b>	<b>2,41,36,374</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, 2021 is as given below:**

Category of Shareholders	Number of shares	Percentage of shares (%)
Promoters and Promoter Group	1,32,50,025	54.90
Mutual Funds	37,04,628	15.35
FII/Foreign Portfolio Investors	3,08,919	1.28
Domestic Bodies Corporate	21,63,415	8.96
Foreign Companies	0	0
Resident Individuals	37,57,861	15.57
Others	9,51,526	3.94
<b>Total</b>	<b>2,41,36,374</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 INE544R01013. Nearly 99.94% of total listed equity shares have been dematerialised as on March 31, 2021.

**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): L21016AS2013PLC011624**

**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: <b>Link Intime India Private Limited</b> Contact: <b>Mr. Bharat Bhushan</b> Noble Heights, 1 <sup>st</sup> Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Phone No.: +91-11-41410592 Fax No.: +91-11-41410591 Email: delhi@linkintime.co.in	Company: <b>Greenlam Industries Limited</b> Contact: <b>Mr. Prakash Kumar Biswal</b> <b>Company Secretary &amp; Vice President - Legal</b> 2 <sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi-110037 Phone No.: +91-11-42791399 Fax No.: +91-11-42791330 Email: investor.relations@greenlam.com
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**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 2020-21, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or the proposal of the Company involving mobilization of funds in India or in abroad.

**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, 2021 are as follows:

Sl. No.	Financial Year	Date of Declaration	Dividend per share (₹)	Date of transfer to Unpaid Dividend Account	Amount outstanding as on 31.03.2021 (₹)	Due date for transfer to IEPF
1.	FY2019-20	04.03.2020	4.00	09.04.2020	144020.00	09.04.2027
2.	FY2018-19	10.08.2019	3.00	12.09.2019	71592.00	12.09.2026
3.	FY2017-18	28.08.2018	2.50	04.10.2018	49260.00	04.10.2025
4.	FY2016-17	21.08.2017	1.50	27.09.2017	29524.50	27.09.2024
5.	FY2015-16	24.08.2016	1.00	30.09.2016	25732.00	30.09.2023
6.	FY2014-15	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).

**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 Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.

- c) There is no case of material non-compliance of any statutory compliance for 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, since the incorporation of the Company. The details of fine imposed by the BSE Limited and National Stock Exchange of India Limited are disclosed in the Director's Report of the Company for the financial year 2020-21.
- d) 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.
- e) The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Act, 2013.
- f) 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-subsiidiaries.pdf>
- g) The Related Party Transaction Policy is also posted on the Company's website and can be accessed at <https://www.greenlamindustries.com/pdf-file/related-party-transaction-policy.pdf>
- h) 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.
- i) 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.
- j) 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.
- k) 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.
- l) 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 employees 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>.
- m) 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 2020-21, 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 2020-21 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 (in ₹)
Statutory Audit Fees	23,00,000.00
Limited Review Fees	3,00,000.00
Fees for other statutory certifications	1,20,000.00
Reimbursement of Expenses	4,286.00

- 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 & Redressal) Act, 2013 and the rules made thereunder. Details of Complaints received and redressed during the financial year 2020-21:

- number of complaints received during the financial year: Nil
- number of complaints disposed of during the financial year: Nil
- number of complaints pending as on end of the financial year: Nil

- 10) During the financial year 2020-21, there was no instance of any non-compliance of the requirements of corporate governance report as specified in sub-para (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. The details of fine imposed by the BSE Limited and National Stock Exchange of India Limited are disclosed in the Director's Report of the Company for the financial year 2020-21.

## 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 same is annexed to this report as "Annexure C".

## 13) Disclosures with respect to demat suspense account/ unclaimed suspense account

- 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
- Number of shareholders who approached the Company for transfer of shares from suspense account during the year: None
- Number of shareholders to whom shares were transferred from suspense account during the year: None
- 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
- 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**

Place: New Delhi  
Date: May 27, 2021

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

## 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 Ltd.**

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, 2021.

Place: New Delhi  
Dated: May 27, 2021

**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 Ltd.**  
Makum Road, Tinsukia,  
Assam – 786125, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Greenlam Industries Limited having CIN: L21016AS2013PLC011624 and having registered office at Makum Road, Tinsukia, Assam – 786125, 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](http://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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. 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

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

Date: May 27, 2021  
Place: Delhi

**Dr. S. Chandrasekaran**  
Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644C000376810

## 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 Ltd.**  
Makum Road, Tinsukia,  
Assam – 786125, 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 31st March, 2021. 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

Date: May 27, 2021  
Place: Delhi

**Dr. S. Chandrasekaran**  
Senior Partner  
Membership No. FCS 1644  
Certificate of Practice No. 715  
UDIN: F001644C000376810

## 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 Ltd.**

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 2021 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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:
- Significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - 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.

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

Place: New Delhi  
Dated: May 27, 2021

**Ashok Kumar Sharma**  
Chief Financial Officer

# Business Responsibility Report

FOR THE FINANCIAL YEAR 2020-21

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## INTRODUCTION

Greenlam Industries Limited has been beautifying spaces for years by infusing creativity into every piece of work and turning them into sheer pieces of beauty and brilliance. A name to be reckoned with in the sector of surfacing products in 100+ countries, Greenlam Industries Limited is standing tall with its guiding philosophies - innovative technologies and creative solutions.

With over twenty-five years of experience in the surface décor space, Greenlam has been the pioneer in introducing the international décor trend, in India and in the international markets.

## GENERAL INFORMATION ABOUT THE COMPANY:

- Corporate Identity Number (CIN) of the Company:** L21016AS2013PLC011624
- Name of the Company:** Greenlam Industries Limited
- Registered Office Address:** Makum Road, Tinsukia, Assam-786 125
- Website:** www.greenlamindustries.com
- E-mail id:** investor.relations@greenlam.com
- Financial Year reported:** 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021
- Sectors that the Company is engaged in**

(as per the NIC code):

Products	NIC Code (2008) of the product/service
Manufacturer of Laminates & Allied Products	16219
Manufacturer of Decorative Veneer & Allied Products	16211

### 8. Three key products that the Company manufactures:

- Laminates & Allied Products
- Decorative Veneers
- Engineered Wooden Floors & Door sets

### 9. Number of national locations where business activity is undertaken by the Company.

The Company's manufacturing units are situated at Behror, Rajasthan and Nalagarh, Himachal Pradesh.

The Company has 9 large regional distribution centers, 21 branch offices, 5 warehouses situated across India and one experience center situated in Kolkata, West Bengal and 14,000+ distributors, dealers and retailers, which is the largest in the industry. The Company's Registered Office is situated at Makum Road, Tinsukia, Assam - 786125 and its Corporate Office is situated at 2<sup>nd</sup> Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi - 110037.

### 10. Number of international locations where business activity is undertaken by the Company

Please refer the following table:

Sl. No.	Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS)	Business activities
1.	Greenlam Asia Pacific Pte. Ltd., Singapore	This subsidiary is engaged in the business of trading of high-pressure decorative laminates and allied products.
2.	Greenlam America, Inc., USA	This subsidiary is engaged in the marketing and distribution of high-pressure laminates in North America and South America.
3.	Greenlam Europe (UK) Ltd., UK	This subsidiary 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 the United Kingdom.
4.	Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand	This subsidiary is engaged in the business of marketing and distribution of high-pressure laminates in Thailand.
5.	Greenlam Holding Co., Ltd., Thailand	This subsidiary is engaged in the business of marketing and distribution of high-pressure laminates in Thailand.
6.	PT Greenlam Asia Pacific, Indonesia	This subsidiary is engaged in the manufacture of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples.

Sl. No.	Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS)	Business activities
7.	Greenlam Decolan SA, Switzerland	This subsidiary is engaged in the business of wholesaler, importer and exporter of decorative surface solutions and products such as high-pressure laminates, and allied products.
8.	Greenlam South Limited, India	This subsidiary is setting up a greenfield project in Naidupeta, Nellore, Andhra Pradesh for manufacturing of 1.5 million laminate sheets / boards per annum. It has allotted land admeasuring 66.49 acers by Andhra Pradesh Industrial Infrastructure Corporation Limited for this project. Necessary steps are being taken to obtain necessary approvals and licenses and the commercial production is expected by F.Y. 2022-23.
9.	PT Greenlam Indo Pacific, Indonesia	This subsidiary is engaged in the business of distributor and wholesaler of laminates and allied products in Indonesia.
10.	Greenlam Rus LLC, Russia	This subsidiary is engaged in the business of distributor and wholesaler of laminates and allied products in Russia.
11.	Greenlam Poland Sp. z o.o, Poland	This subsidiary is engaged in the business of distributor and wholesaler of laminates and allied products in Poland.

## 11. Markets served by the Company

### a. Domestic Sales:

Pan-India Branches - 21  
Regional Distribution Centre - 9  
Warehouses - 5  
Experience Center - 1  
Distributors, Dealers and Retailers - 14000+

### b. Exports:

The Company exports to nearly 100 countries worldwide either directly or through its overseas subsidiaries including Singapore, Thailand, Malaysia, Indonesia, South Korea, Philippines, Hong Kong, UAE, Saudi Arabia, Qatar, USA, Canada, Columbia, Mexico, UK, Spain, Sweden, Germany, Switzerland, Italy, Russia, Ukraine, Sri Lanka, Bangladesh, Nepal, Bhutan, Myanmar, Vietnam, South Africa, Egypt, Ghana, Kenya, New Zealand and Australia.

### FINANCIAL DETAILS OF THE COMPANY:

- Paid-up capital (₹ in lakh):** 1206.82
- Total Turnover (₹ in lakh):** 112605.20
- Total profit after taxes (₹ in lakh):** 6684.87
- Total spending on CSR activities undertaken by the Company as percentage of profit after tax (%):** During the year under review, the Company has allocated ₹1.96 crore towards CSR activities which is 2.93% of the profit after tax of the Company, out of which the Company has spent ₹1.51 crore being 2.26% of the profit after tax and the balance amount of ₹45.76 lacs have been transferred to Unspent CSR Account.
- List of activities involving CSR Expenditure:**  
Please refer to the Report on the CSR activities forming part of the Annual Report for the financial year 2020-21.

## OTHER DETAILS:

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

There is no group. As regards JV and subsidiaries, please refer the above table mentioned in the general information about the Company.

### 2. Details of business of the subsidiaries/JV

Please refer the above table mentioned in the general information about the Company.

### 3. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary companies:

No participation from Subsidiary Companies.

### 4. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No participation from other entity.

## BR INFORMATION:

- Details of Director/Directors responsible for BR:**
  - Details of Director responsible for implementation of the BR policy:
    - DIN: 00273917
    - Name: Mr. Saurabh Mittal
    - Designation: Managing Director & CEO

- b. Details of the BR Head:
- DIN: 08586538
  - Name: Ashok Kumar Sharma
  - Designation: Chief Financial Officer
  - Telephone number: +91-11-42791399
  - E-mail id: ashok.sharma@greenlam.com

**2. Principle-wise (as per National Voluntary Guidelines) BR Policy/ policies:**

- Principle 1:** Businesses should conduct and govern themselves with ethics, transparency and accountability. [P1]
- Principle 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. [P2]
- Principle 3:** Businesses should promote the well-being of all employees. [P3]

- Principle 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. [P4]
- Principle 5:** Businesses should respect and promote human rights. [P5]
- Principle 6:** Business should respect, protect, and make efforts to restore the environment. [P6]
- Principle 7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. [P7]
- Principle 8:** Businesses should support inclusive growth and equitable development. [P8]
- Principle 9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner. [P9]

**(a) Details of Compliance (reply in Y/N)**

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the various principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board of Directors. The policies have been framed considering the best interest of the stakeholders.								
3.	Does the policy conform to any national/ international standards? If yes, specify?	Yes, the policies are based on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business'								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Yes, the Policies have been approved by the Board of Directors and signed by the Managing Director & CEO on behalf of the Board of Directors of the Company.								
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes, the Company's Official(s) are authorised to oversee the implementation of the Policy.								
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.greenlamindustries.com/pdf-file/business-responsibility-policy.pdf">https://www.greenlamindustries.com/pdf-file/business-responsibility-policy.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8.	Does the company have in-house structure to implement policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company intends to do the same in near future.								

**3. Governance related to BR:**

**a. Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:**

The Management of the Company assesses the BR performance during the last quarter of the financial year.

**b. Does the Company publish a BR Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has published its last Business Responsibility Report which forms part of the Company's Annual Report for the financial year 2019-20. The same can be accessed at: <https://www.greenlamindustries.com/pdf-file/Greenlam-Annual-Report-2019-20.pdf>

The BR Report for the financial year 2020-21 will be published as and when the same would be disclosed to stock exchanges pursuant to the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**PRINCIPLE-WISE PERFORMANCE:**

**PRINCIPLE-1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company?**

The Company has a policy on the Code of Business Conduct and Ethics (COBEC), which applies to all the employees of the Company and its subsidiaries. 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.

**2. Does the policy stated above extend to the Joint Ventures/suppliers/contractors/NGOs/ others?**

No. However, the Company encourages its stakeholders to follow the code.

**3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management:**

There was neither any complaint pending as on April 01, 2021 nor any such complaint was received during the financial year 2020-21.

**PRINCIPLE-2: SAFETY AND SUSTAINABILITY OF GOODS**

**1. Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/or opportunities?**

- High-Pressure Decorative Laminates** - This Product is made available in different sizes and meets the Greenguard Gold Emission norms as it has low Volatile Organic Compounds that ensures maintaining the indoor air quality and is safe for consumers. The Company brings the best in surfacing products to consumers through anti-fungal, anti-bacterial and anti-viral properties as a standard offering across the entire range of Greenlam Laminates and Greenlam Compacts, helping customers redefine their interior spaces.
- Engineered Wooden Door sets** - This product design aims at minimal use of wood while matching the look, feel and durability of real wooden doors and frames.

**2. For each such product, provide the following details in respect of resources used (energy, water, raw material etc.) per unit of product (optional):**

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
  - High Pressure Decorative Laminates-** Reduction in utilization of resources required in the manufacturing process due to economy of scale are mentioned below:
    - Reduction in ground water consumption is 8000 KL per annum since last year.
    - Reduction in energy consumption by 80000 KWHrs per annum since last year.
  - Engineered Wooden Door sets** - This product was designed, aiming at minimal use of wood since inception. Hence, reduction in resources used in comparison to previous year is not relevant in this context.
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?
  - High Pressure Decorative Laminates-** Not Applicable

b) Engineered Wooden Door sets - Not Applicable

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, then what percentage of your inputs was sourced sustainably?**

The Company has a well established system of sustainable sourcing of inputs including transportation. The Company has been able to maintain a very good relationship with its suppliers and most of them have been associated with the Company for a long time. The Company encourages a practice of purchasing FSC marked papers which are used in the manufacturing of its products and also the emission levels of volatile chemicals in laminates manufactured by the Company is less than 0.1 parts per million. The Company always strives to focus on alternative and environment friendly sourcing of its inputs. The Company always places orders with its suppliers well in advance to ensure timely receipt of raw materials. Further, the Company has a long-term arrangement with all the transporters directly engaged by it.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The Company is procuring goods and services from 300+ Micro, Small and Medium Enterprises (MSME) suppliers on regular basis.

**5. What steps does the Company take to educate the local/small vendors to develop their skills?**

The Company periodically checks the capabilities of suppliers and suggests them the ways to increase their productivity as well as efficiency which ultimately helps in increasing their competitiveness, scale of business and profitability.

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

The waste water generated during the manufacturing process is treated in Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) and then are used in gardening and in toilets for flushing.

Further, the Company also re-uses the wood waste and gardening waste generated in plants as fuel in boiler/thermic fluid heater.

**7. What is the quantity / percentage of such recycling?**

Nearly 100% of the waste water is treated and reused as mentioned in point 6 above.

**PRINCIPLE-3: WELL BEING OF ALL EMPLOYEES**

**1. Human Resource**

Kind of Human Resource	Total number in the Company
Permanent Employees	1900
Hired Employee:	
▪ Temporary	368
▪ Contractual	2183
▪ Casual	-
Permanent women employees	80
Permanent employees with disabilities	-
Child Labour	-

**2. Do you have an employee association that is recognised by the Management?**

There is no employee association that is recognised by the Management.

**3. What percentage of permanent employees are members of such employee association?**

Not Applicable.

**4. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

- a. Child Labour: Nil
- b. Forced Labour: Nil
- c. Involuntary Labour: Nil
- d. Discriminatory Employment: Nil
- e. Sexual Harassment complaints pending: Nil

The Company has Policy on Prevention of Sexual Harassment.

**5. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

- a. Permanent Employees: 30.4% (skill upgradation)
- b. Permanent Women Employees: 87.5% (skill upgradation)
- c. Casual/Temporary/Contractual Employees: 100% (safety, firefighting and other basic operational training)
- d. Employees with Disabilities: Not applicable

**PRINCIPLE-4: PROTECTION OF STAKEHOLDERS' INTEREST**

**1. Has the Company mapped its internal and external stakeholders?**

Yes.

**2. Has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

The Company has identified the disadvantaged, vulnerable and marginalised stakeholders around its manufacturing units and identified their needs and priorities so as to serve these needs accordingly.

**3. What are the steps taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

The Company has engagement for promoting education, health care, gender equality and empowering women and water management near its units at Behror, Rajasthan and at Nalagarh, Himachal Pradesh and also support for education and overall development of young, orphan and neglected girls at Greenlam Udayan Ghar in Ghaziabad. Company also has enablement program for visually impaired for promoting education and building inclusive society.

**PRINCIPLE-5: RESPECTING AND PROMOTING HUMAN RIGHTS**

**1. Does the Company have any policy on human rights?**

Yes. The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.

**2. Does this policy on human rights cover only the Company or extend to the JV/ Suppliers / Contractors / NGOs / Others?**

Greenlam's Human Rights policy applies to all Greenlam Employees worldwide, anyone conducting business for or with Greenlam and others acting on behalf of Greenlam. This applies to all location where Greenlam conducts business and to all Company-sponsored events.

No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2020-21.

**PRINCIPLE-6: RESPECTING, PROTECTING AND RESTORING THE ENVIRONMENT**

**1. Does the policy related to principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others?**

The Company follows its policy on Environment Protection which is applicable to all its business places. The subsidiaries follow the environmental norms as applicable to them in line with the local requirements prevailing in the country of operation.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?**

The following are the initiatives taken by the Company to address global environmental issues:

- a. Use of biofuel (husk) fire thermic fluid heater in place of coal fire thermic fluid heater in one of the plants reduces the use of coal and minimizes generation of harmful gases viz. Carbon dioxide and Sulphur dioxide and thus reduces global warming.
- b. The Company initiated steps to replace the existing steam generating boiler with a new 6 million K.Cal/hour, hot water system and this will reduce the ground water withdrawal by an additional 3500 KL/annum and the new equipment is more thermal efficient and is expected to reduce both fuel consumption and carbon emission by 2.0%.
- c. Company has been utilizing renewable energy from its solar power plant having capacity of 955 kilowatts. The Company is also exploring to set up another solar power generation panel during the financial year 2021-22.

**3. Does the Company identify and assess potential environmental risks?**

The Company has a mechanism to identify and assess potential environmental risks at the plant level.

**4. Does the Company have any project related to Clean Development Mechanism?**

There is no Clean Development Mechanism (CDM) program taken up by Greenlam.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? If yes, details thereof.**

The efforts of the Company are aimed to minimize the energy consumption. The following practices are focused at reducing global warming:

**a) Clean Technology:**

Use of biofuel (husk) fire thermic fluid heater in place of coal fire thermic fluid heater, reduces the use of coal and minimizes the generation of harmful gases viz. Carbon dioxide and Sulphur dioxide.

**b) Energy Efficiency:**

Company's proactive steps towards efficient energy consumption resulted in reduction in Energy consumption by 80000 KWHrs during the year under review.

**c) Renewable Energy:**

Company has been utilizing renewable energy from its solar power plant having capacity of 955 kilowatts.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/waste generated by the Company for financial year 2020-21 are within permissible limits given by CPCB/SPCB(s) of the respective units.

The manufacturing locations of the Company have obtained the respective state government consents to operate. The emissions of air, water and solids are covered in this consent. Necessary authorizations have also been obtained for storage, transportation and disposal of hazardous wastes at recognised landfills of Pollution Control Boards. The Company also carries out third party evaluation of the environmental parameters on periodic intervals. The company takes necessary steps to mitigate environment related aspects by a structured program.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

As on March 31, 2021, no show cause notice or legal notice received from CPCB/SPCB are pending.

**PRINCIPLE-7: RESPONSIBILITY TOWARDS PUBLIC AND REGULATORY POLICY**

1. **Whether the Company is a member of any trade/chamber association?**

The Company is the member of Indian Laminate Manufacturers Association (ILMA) and The Plastics Export Promotion Council (PLEXCONCIL).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy, security, water, food security, Sustainable Business Principles, others)?**

No. However, the Company intends to utilize the opportunities available in future for the advancement or improvement of public good.

**PRINCIPLE-8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the inclusive growth and equitable development? If yes details thereof.**

The Company undertakes the initiatives through the Corporate Social Responsibility (CSR) Committee of the Board as per the CSR Policy of the Company. For details of initiatives taken up by the Company during the financial year 2020-21, please refer to the Report on the CSR activities forming part of the Annual Report for the financial year 2020-21.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

The CSR projects have been carried out by the Company through various implementing agencies. For the details of all the implementing agencies engaged by the Company for its CSR initiatives, please refer to the Report on the CSR activities forming part of the Annual Report for the financial year 2020-21.

3. **Have you done any impact assessment of the initiatives indicated above?**

The Company has engaged a third party to advise on the CSR activities carried out by the Company as well as to monitor and evaluate their social impact. The CSR Committee also reviews the impact of the initiatives periodically.

4. **What is your Company's direct contribution to Community Development Projects (CDP)? - amount spent and the details of the projects undertaken.**

Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2020-21 containing the details on CSR spending.

5. **Have you taken steps to ensure that this CDP is successfully adopted by the community? Please explain.**

CSR initiatives are designed and delivered in a transparent manner in line with inputs from various stakeholders.

**PRINCIPLE-9: ENGAGING AND ENRICHING CUSTOMER VALUE**

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

The Company has provided a Customer Support and Redressal Portal where its customer can lodge complaints. As on March 31, 2021, 4.01% of the customer complaints (relating to product quality) were pending for action.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Yes, in respect of sale of products through packaging only. We are also providing relevant information about the products on the face of it as per the local laws. Further, each product also carries an additional information on handling and fabrication apart from mandatory label and traceability is also ensured through a bar code.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

No.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

Yes.

For and on behalf of Board of Directors

Place: New Delhi  
Date: May 27, 2021

**Saurabh Mittal**  
Managing Director & CEO  
[DIN: 00273917]

**Parul Mittal**  
Whole-time Director  
[DIN: 00348783]

# Independent Auditors' Report

To  
The Members  
**Greenlam Industries Limited**

## Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Greenlam Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at March 31, 2021, the profit and total comprehensive profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are

further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw attention to note no. 45 on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Our opinion is not modified in respect of above matters.

### 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 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></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, 2021, the Company's Statement of Profit &amp; Loss included Sales of ₹109929.78 lakh. 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. 24 of the standalone 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 recognised in the correct accounting period. We also tested journal entries recognised 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 preparation of the other information. The other information comprises the information included in 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 profit, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. 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 are 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 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 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 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 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 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 relevant rule issued thereunder.
  - (e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director 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 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 B" and
- (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 Standalone financial statements – Refer Note no. 35 to the standalone financial statements.
  - ii. The company 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 has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

### For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration Number: 000756N

### NAVEEN AGGARWAL

Partner

Place: New Delhi Membership Number: 094380

Date: May 27, 2021 UDIN 21094380AAAADN7005

## “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 standalone financial statements for the year ended March 31, 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company’s interest.
  - b) The company has stipulated schedule of payment of interest not of repayment of principal. Repayment of the principal amount and receipt of interest are not due at balance sheet date.
  - c) There is no overdue amount in respect of principal and interest.
- (b) Fixed assets have been physically verified by the management during the year based on the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company except One Office Premises of Gross Block Value of ₹286.98 lacs and Net Block Value as on 31.03.2021 of ₹212.15 lacs (Previous Year ₹216.64 lacs) is yet to be transferred in the name of the Company pursuant to Scheme of Arrangements
- ii. We have been explained by the management that 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 accordingly to the information and explanations given to us, no material discrepancies were noticed between the physical stock and book records.
- iii. The Company has granted unsecured loans, to a company covered in the register maintained under Section 189 of the Act, except this Company has not granted any other loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and 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, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 the Act and the rules framed there under.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, Goods and Service Tax, custom duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2021.

- (b) According to the records of the company, the dues outstanding of income-tax, sales-tax, service tax, custom duty, excise duty, value added tax and cess, goods and services tax on account of any dispute, are as per of the statement of disputed dues as under:

Name of Statute	Nature of Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute pending	Remarks, If any
Rajasthan VAT Act, 2003	CST Liability	19.12 lakh	FY 2004 - 2005	Assistant Commissioner SPL Ward- I Commercial tax office Bhiwadi	
Himanchal Pradesh VAT Act, 2005	ITC claimed	18.56 lakh	FY 2010-2011	The Additional Excise and Taxation Commissioner Cum- Appellate Authority (South Zone) Shimla Himachal Pradesh	
Income Tax Act, 1961	Demand u/s 154	14.13 lakh	FY 2013-2014	Assessing Authority	

The disputed cases, where the amount has been paid in full but under protest, are not included in the above table.

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or Financial Institutions. Further, the Company did not have any outstanding loans or borrowings from government or dues to debenture holder during the year
- ix. According to the information and explanation given to us, the company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised.
- x. According to the information and explanations given to us, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with provision of section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- 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, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

**For S S KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**  
Partner

Place: New Delhi      Membership Number: 094380  
Date: May 27, 2021      UDIN 21094380AAAADN7005

# “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(g) 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, 2021 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to 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, 2021, 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

Place: New Delhi

Membership Number: 094380

Date: May 27, 2021

UDIN 21094380AAAADN7005

## Standalone Balance Sheet as at 31 March, 2021

₹ in lakh

	NOTE	31 March, 2021	31 March, 2020
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	1	39090.98	40406.89
Capital Work-in-Progress	2	1633.61	1392.13
Other Intangible Assets	3	791.88	705.88
Intangible Assets under Development	2a	71.54	176.72
<b>Financial Assets</b>			
Investments	4	7057.00	7057.00
Loans	5	318.23	218.61
Trade Receivables	8a	78.21	58.14
Other Non-current Assets	6	985.36	334.57
<b>Total Non-current assets</b>		<b>50026.81</b>	<b>50349.94</b>
<b>Current Assets</b>			
Inventories	7	33093.85	33311.00
<b>Financial Assets</b>			
Investments	4a	10639.72	-
Trade Receivables	8	13707.54	12058.83
Cash and Cash Equivalents	9a	1079.80	2519.08
Bank Balances other than above	9b	9.06	10.37
Loans	10	53.34	89.78
Other Financial Assets	10a	14.49	129.70
Current Tax Assets (Net)	11	185.51	351.54
Other Current Assets	12	2900.92	4502.67
<b>Total Current assets</b>		<b>61684.22</b>	<b>52972.97</b>
<b>Total Assets</b>		<b>111711.03</b>	<b>103322.91</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity Share Capital	13	1206.82	1206.82
Other Equity	14	54633.30	47854.73
<b>Total Equity</b>		<b>55840.12</b>	<b>49061.55</b>
<b>Liabilities:</b>			
<b>Non-current Liabilities :</b>			
<b>Financial Liabilities</b>			
Borrowings	15	7991.15	8200.00
Other Financial Liabilities	16	4336.52	4690.02
Provisions	17	966.21	2144.26
Deferred Tax Liabilities (Net)	18	1482.50	1656.67
<b>Total Non-current liabilities</b>		<b>14776.38</b>	<b>16690.95</b>
<b>Current Financial Liabilities</b>			
Borrowings	19	11750.00	13300.00
Trade Payables	20		
- Total O/s Dues of Micro and Small Enterprises		900.03	325.77
- Dues O/s Dues of Other than Micro and Small Enterprises		20583.16	15521.42
Other Financial Liabilities	21	5060.28	5765.38
Other Current Liabilities	22	2640.62	2488.67
Provisions	23	160.44	169.17
<b>Total Current liabilities</b>		<b>41094.53</b>	<b>37570.41</b>
<b>Total Equity and Liabilities</b>		<b>111711.03</b>	<b>103322.91</b>
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 47		

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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Standalone Statement of Profit & Loss for the year ended 31 March, 2021

₹ in lakh

	NOTE	Year Ended 31 March, 2021	Year Ended 31 March, 2020
<b>INCOME:</b>			
Sale of Products		109929.78	117719.01
Other Operating Revenue		2675.42	5003.17
Revenue from Operations	24	112605.20	122722.18
Other Income	25	361.51	2264.79
<b>Total Income</b>		<b>112966.71</b>	<b>124986.97</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	26	58978.28	68444.31
Purchase of Stock in Trade	27	595.00	1099.04
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	28	581.99	(2975.87)
Employees Benefits Expense	29	16651.98	17917.24
Finance Costs	30	1603.37	2029.91
Depreciation and Amortisation Expense	31	5178.57	4897.54
Other Expenses	32	19426.45	22143.89
<b>Total Expenses</b>		<b>103015.64</b>	<b>113556.07</b>
<b>Profit before Exceptional Item and Tax</b>		<b>9951.07</b>	<b>11430.90</b>
<b>Exceptional Item (gain)/Loss</b>		<b>1240.17</b>	<b>-</b>
<b>Profit before Tax</b>		<b>8710.90</b>	<b>11430.90</b>
<b>Tax Expense</b>			
Current Tax		2539.90	2615.64
Income Tax for Earlier years		(308.16)	(140.35)
Deferred Tax		(205.71)	(307.12)
<b>Tax Expense</b>		<b>2026.03</b>	<b>2168.17</b>
<b>Profit for the Year</b>		<b>6684.87</b>	<b>9262.73</b>
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss) on defined benefit plans		125.21	(169.43)
Income tax relating to items that will not be reclassified to profit or loss		(31.51)	42.64
<b>Other Comprehensive Income, net of tax</b>		<b>93.70</b>	<b>(126.79)</b>
<b>Total Comprehensive Income</b>		<b>6778.57</b>	<b>9135.94</b>
<b>Earnings per Equity Share Face Value ₹5 Each</b>			
Basic and Diluted	34	(in ₹) 27.70	38.38
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 47		

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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Standalone Cash Flow Statement for the period ended 31 March, 2021

₹ in lakh

	Year Ended 31 March, 2021	Year Ended 31 March, 2020
<b>A. Cash flows from operating activities</b>		
<b>Profit before Exceptional Item and Tax</b>	9951.07	11430.90
Adjustments for:		
Exceptional Item ( Refer Note No. 46)	(1240.17)	-
Depreciation and Amortisation Expense	5178.57	4897.54
Finance Costs	1603.37	2029.91
Liabilities no longer required written back	84.86	57.11
Loss on Sale / Discard of Fixed Assets	35.13	79.34
Unrealised Foreign Exchange Fluctuations	14.58	185.97
Bad Debts/Provision for Doubtful Debts	(5.54)	7.32
Provision against Current Assets	17.86	-
Dividend Received	(27.58)	(1826.90)
Short Term Gain On Mutual Funds	(27.01)	-
Interest Income	(132.93)	(91.89)
Re-measurement gain/(loss) on defined benefit plans	125.21	(169.43)
	<b>5626.35</b>	<b>5168.97</b>
<b>Operating cash flows before working capital changes</b>	<b>15577.42</b>	<b>16599.87</b>
Working capital adjustments:		
(Increase) / Decrease in Trade and Other Receivables	480.39	1786.45
(Increase) / Decrease in Inventories	217.15	(4513.52)
(Decrease) / Increase in Trade Payables	5079.98	1452.28
	<b>5777.52</b>	<b>(1274.79)</b>
<b>Cash Generated from Operations</b>	<b>21354.94</b>	<b>15325.08</b>
Income Tax Paid (Net)	<b>(2373.87)</b>	<b>(2474.03)</b>
<b>Net cash from operating activities</b>	<b>18981.07</b>	<b>12851.05</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of Fixed Assets	(4926.69)	(5210.22)
Investment	(10639.72)	(4644.78)
Sale of Fixed Assets	26.60	40.78
Dividend Received	27.58	1826.90
Short Term Gain on Mutual Funds	27.01	-
Interest Received	132.93	91.89
Loan to Subsidiary	(25.00)	-
<b>Net Cash used in Investing Activities</b>	<b>(15377.28)</b>	<b>(7895.43)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Long Term Borrowings	3738.62	5000.00
Short Term Borrowings (Net)	(1550.00)	604.61
Lease Liability ( Net)	(628.42)	(581.69)
Repayment of Long Term Borrowings	(5000.00)	(4324.28)
Interest Paid	(1603.26)	(2047.56)
Dividend & Corporate Dividend Tax Paid	-	(1691.88)
<b>Net Cash used in Financing Activities</b>	<b>(5043.06)</b>	<b>(3040.80)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1439.28)</b>	<b>1914.82</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>2519.08</b>	<b>604.26</b>
<b>Cash / Cash Equivalents at the close of the Year</b>	<b>1079.80</b>	<b>2519.08</b>

## Standalone Cash Flow Statement for the period ended 31 March, 2021

### Non Cash Changes in Liabilities arising from financing activities

₹ in lakh

Particulars	As at 31 March , 2019	Cash Flows	Non Cash Change	As at 31 March , 2020
Long Term Borrowings	11074.28	675.72	-	11750.00
Short Term Borrowings	12695.39	604.61	-	13300.00

₹ in lakh

Particulars	As at 31 March , 2020	Cash Flows	Non Cash Change	As at 31 March , 2021
Long Term Borrowings	11750.00	(1261.38)	-	10488.62
Short Term Borrowings	13300.00	(1550.00)	-	11750.00

### 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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Standalone Statement of Changes in Equity

for the year ended 31 March, 2021

### A) Equity Share Capital

Particulars	Note	Amount
Balance as at 1 April 2019	13	1206.82
Issue of equity share capital during the year		-
Balance as at 31 March 2020		1206.82
Issue of equity share capital during the year		-
<b>Balance as at 31 March 2021</b>		<b>1206.82</b>

### B) Other Equity

₹ in lakh

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 2019	14	15333.48	2000.00	23238.96	(161.77)	40410.67
<b>Total comprehensive income for the year ended 31 March 2020</b>						
Profit or loss		-	-	9262.73	-	9262.73
Transfer to Reserve		-	500.00	(500.00)	-	-
Dividend on Equity Shares		-	-	(1689.55)	-	(1689.55)
Tax on Dividend Distribution		-	-	(2.33)	-	(2.33)
Other comprehensive income (net of tax)		-	-	-	(126.79)	(126.79)
<b>Total comprehensive income</b>		-	500.00	7070.85	(126.79)	7444.06
<b>Balance as at 31 March 2020</b>		<b>15333.48</b>	<b>2500.00</b>	<b>30309.81</b>	<b>(288.56)</b>	<b>47854.73</b>
<b>Balance as at 1 April 2020</b>		<b>15333.48</b>	<b>2500.00</b>	<b>30309.81</b>	<b>(288.56)</b>	<b>47854.73</b>
<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>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>36494.68</b>	<b>(194.86)</b>	<b>54633.30</b>
Significant accounting policies						
The accompanying notes form an integral part of the standalone 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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholtime Director  
 (DIN : 00348783)

#### (Naveen Aggarwal)

Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Notes to Standalone Financial Statement

for the year ended 31 March, 2021

### 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 Makum Road, P.O. Tinsukia, Assam - 786 125, 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 three wholly owned subsidiary companies i.e. Greenlam Asia Pacific Pte Ltd, Greenlam America Inc and Greenlam South Ltd. 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 31st March, 2021 are authorized for issue in accordance with a resolution of the Directors on 27th May, 2021.

##### 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.

- Derivative Financial Instruments – Fair Value
- 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 (₹), which is the Company's functional and presentation currency. All amounts have been rounded to two decimal points of lacs, unless otherwise indicated.

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

### 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 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 their 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 ₹5000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over their 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.

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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

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 is 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

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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.

### 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.

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

### 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.

Goods-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 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.

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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 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.

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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.

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, Merchandise Export Incentives Scheme (MEIS), are 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 and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, MEIS and/or the same are 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

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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.

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.

### 1.12 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

## Notes to Standalone Financial Statement

for the year ended 31 March,2021

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.

### 1.13 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 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.

### 1.14 Leases:

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 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.,

# Notes to Standalone Financial Statement

for the year ended 31 March,2021

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.

## 1.15 Earnings 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.

## 1.16 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.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- 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.

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 are 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 period ended 31 March,2021

### 1. Property, Plant And Equipments

Particulars	Gross Block					Depreciation					Net Block		
	As At 01/04/2019	Addition During The Year	Deduction During The Year	Total As At 01/04/2020	Total As At 31/03/2021	Addition During The Year	Deduction During The Year	Upto 01/04/2019	For The Year	Adjustment For Deductions	Total As At 31/03/2021	As At 31/03/2021	As At 31/03/2020
<b>Property, Plant and Equipment</b>													
Freehold Land	1094.20	-	-	1094.20	1094.20	-	-	-	-	-	-	1094.20	1094.20
Land Development	603.11	-	-	603.11	603.11	-	-	19.13	9.37	4.11	32.63	570.48	574.60
Right to use Factory Land	-	1575.72	-	1575.72	1575.72	-	-	-	21.59	21.97	43.56	1532.17	1554.13
Right to use (Other than Land)	-	6392.30	-	6392.30	6580.68	352.25	163.86	-	956.09	948.74	1745.66	4835.03	5436.21
Buildings	13699.13	60.26	89.42	13669.97	14051.58	381.61	-	3062.85	442.25	407.41	3889.66	10161.92	10187.72
Plant and Equipments	38320.12	2591.65	163.86	40747.91	42984.28	2,715.85	479.48	20463.39	2670.85	2935.81	25496.78	17487.50	17735.10
Furniture and Fixtures	1549.10	2259.75	401.32	3407.53	3454.53	67.25	20.25	829.97	254.75	311.65	1043.22	2411.31	2667.83
Vehicles	1061.75	17.13	22.88	1056.00	1031.75	-	24.25	413.16	120.62	101.77	602.14	429.61	541.56
Heavy Vehicles	14.31	-	-	14.31	22.77	11.52	3.06	12.76	0.16	0.41	10.43	12.34	1.39
Office Equipments	1261.51	433.31	37.26	1657.56	1705.23	180.63	132.96	925.35	204.03	231.40	1148.80	556.43	614.15
<b>Total</b>	<b>57603.23</b>	<b>13330.12</b>	<b>714.74</b>	<b>70218.61</b>	<b>73103.85</b>	<b>3709.11</b>	<b>823.86</b>	<b>25726.61</b>	<b>4679.72</b>	<b>4963.28</b>	<b>34012.88</b>	<b>39090.98</b>	<b>40406.89</b>

### 2. Capital Work In Progress

Particulars	Gross Block			Depreciation			Net Block	
	As At 01/04/2019	Addition During The Year	Deduction During The Year	Total As At 01/04/2020	Addition During The Year	Deduction During The Year	Total As At 31/03/2021	As At 31/03/2021
<b>Capital Work In Progress</b>								
	1898.76	1392.13	1898.76	1392.13	1569.49	1328.01	1633.61	1392.13

# Notes to Standalone Financial Statement for the period ended 31 March,2021

## 2. Capital Work In Progress (contd) 2a Intangible Assets under Development

Particulars	Gross Block				Depreciation				Net Block		
	As At 01/04/2019	Addition During The Year	Deduction During The Year	Total As At 01/04/2020	Adjustment For Deductions	Total As At 01/04/2020	For The Year	Upto 01/04/2019	For The Year	As At 31/03/2021	As At 31/03/2020
Intangible Assets Under Development	273.10	176.72	273.10	176.72	-	61.04	-	-	-	71.54	176.72

## 3 Other Intangible Assets

Particulars	Gross Block				Depreciation				Net Block		
	As At 01/04/2019	Addition During The Year	Deduction During The Year	Total As At 01/04/2020	Adjustment For Deductions	Total As At 01/04/2020	For The Year	Upto 01/04/2019	For The Year	As At 31/03/2021	As At 31/03/2020
Other Intangible Assets											
Trademarks	68.58	-	-	68.58	-	68.58	-	68.58	-	68.58	-
Computer Software	817.48	536.15	-	1353.63	301.28	656.32	206.72	448.73	207.59	863.04	697.31
Technical Knowhow	334.91	-	-	334.91	-	326.34	8.57	316.11	10.23	334.91	8.57
<b>Total</b>	<b>1220.97</b>	<b>536.15</b>	<b>-</b>	<b>1757.13</b>	<b>301.28</b>	<b>1051.24</b>	<b>215.29</b>	<b>833.42</b>	<b>217.82</b>	<b>1266.54</b>	<b>791.88</b>

1.1 Title deed of One Office Premises of Gross Block ₹286.98 lacs and Net block of ₹212.15 lacs ( Previous Year ₹216.64 lacs) is yet to be transferred in the name of the company

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 4. Non-Current Investments

	Number	31 March,2021	Number	31 March,2020
<b>Investments in Equity Instruments (at Cost)</b>				
<b>Trade</b>				
<b>Unquoted , Fully Paid up Subsidiaries</b>				
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 [₹82 (Previous year ₹82)]	1	0	1	0
Greenlam South Ltd. - Equity Shares of ₹10 each	1000000	100	1000000	100
Greenlam Russia LLC 1% holding in company amounting to RUB 19000	1	0	-	-
Greenlam South Ltd. - Equity Shares of ₹10 each issued at ₹75*	6059724	4544.79	-	-
<b>Total</b>		<b>7055.75</b>		<b>2510.96</b>
* Amount invested in OCPS at the rate ₹75/- (face value of ₹10 Each) converted into equity shares in 1:1 ratio.				
<b>Investments in Equity Instruments (at Cost)</b>				
<b>Non-Trade</b>				
<b>Unquoted , Fully Paid up Other than Subsidiaries</b>				
Indian Laminate Association Trust- 125 equity shares of ₹1000/- each	125	1.25	-	1.25
		1.25		1.25
<b>Investments in Preference Instruments (at Cost)</b>				
<b>Trade</b>				
<b>Unquoted , Fully Paid up Subsidiaries</b>				
Greenlam South Ltd. -Optionally Convertible Preference Shares of ₹10 each *		-		4544.79
<b>Total</b>		<b>7057.00</b>		<b>7057.00</b>
Aggregate Book Value of Unquoted Investments		<b>7057.00</b>		<b>7057.00</b>
Aggregate Market Value of Quoted Investments		-		-

### 4a. Current Investments

	Unit	31 March,2021	Unit	31 March,2020
<b>Investment in Quoted Mutual Funds measured at FVTPL</b>				
ICICI Prudential Overnight Fund- Direct Growth Plan	140210	155.61	-	-
ICICI Prudential Liquid Fund- Direct Growth Plan	461202	1405.45	-	-
Aditya Birla SL Savings Fund - Growth Regular Plan	37124	156.93	-	-
HDFC Ultra Short Term Fund - Regular Growth Plan	10554676	1250.33	-	-
Axis Overnight Fund - Direct Growth Plan	6569	150.08	-	-

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 4. Non-Current Investments (contd)

₹ in lakh

	Unit	31 March,2021	Unit	31 March,2020
Axis Liquid Fund - Direct Growth Plan	156443	2502.45	-	-
<b>Unquoted Investments</b>				
Deposit with NBFC-HDFC LTD		5018.87	-	-
		<b>10639.72</b>	-	-
Aggregate Book Value of Unquoted Investments		<b>5018.87</b>	-	-
Aggregate Market Value of Quoted Investments		<b>5620.85</b>	-	-

### 5. Loans Non-Current Financial Assets

(Unsecured, considered good)

₹ in lakh

	31 March,2021	31 March, 2020
Security Deposits	293.23	218.61
Loan to Subsidiary	25.00	-
<b>Total</b>	<b>318.23</b>	<b>218.61</b>

### 6. Other Non-Current Assets

₹ in lakh

	31 March,2021	31 March, 2020
Capital Advances	860.84	156.80
Prepaid Interest on Security Deposits	23.37	25.70
Other Security Deposits	101.15	152.07
<b>Total</b>	<b>985.36</b>	<b>334.57</b>

### 7. Inventories

(at lower of cost or net realisable value)

₹ in lakh

	31 March,2021	31 March, 2020
Raw Materials	18437.59	18321.96
[including in transit and at Customs Warehouse ₹3212.14 lacs (Previous year ₹591.12 lacs)]		
Stock in Process	5507.33	6362.21
Finished Goods	7398.70	7133.97
[including in Transit ₹1643.17 lacs (Previous year ₹849.38 lacs)]		
Stock In Trade	108.43	100.27
Stores & Spares	1641.80	1392.59
<b>Total</b>	<b>33093.85</b>	<b>33311.00</b>

### 8. Trade Receivables

₹ in lakh

	31 March,2021	31 March, 2020
Secured, considered good	130.31	301.36
Unsecured, considered good	13577.23	11757.47
Credit Impaired	96.78	102.32
	<b>13804.32</b>	<b>12161.15</b>
Less : Loss for Allowances		
Credit Impaired	96.78	102.32
<b>Net Trade Receivables</b>	<b>13707.54</b>	<b>12058.83</b>
<b>Of the above, Trade Receivable from Related parties</b>		
Trade Receivable from related parties	<b>5677.97</b>	<b>3861.89</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 8. Trade Receivables (contd)

#### 8a. Trade Receivables (Non -Current)

₹ in lakh

	31 March,2021	31 March, 2020
Unsecured, considered good	78.21	58.14
	<b>78.21</b>	<b>58.14</b>

#### 9a. Cash & Cash Equivalent

₹ in lakh

	31 March,2021	31 March, 2020
Balances with Banks - on Current Accounts	310.40	2483.60
Bank Deposits (Maturity within 3 months)	500.03	22.28
Cash on Hand	22.62	13.09
Remittance in Transit	246.75	0.11
(A)	<b>1079.80</b>	<b>2519.08</b>

#### 9b. Other Bank Balances

₹ in lakh

	31 March,2021	31 March, 2020
Earmarked balance with Banks for Unpaid Dividend Accounts	3.33	7.13
Margin Money	5.73	3.24
(B)	9.06	10.37
<b>Total (A+B)</b>	<b>1088.86</b>	<b>2529.45</b>

### 10. Loans - Current Financial Assets

(Unsecured, considered good)

₹ in lakh

	31 March,2021	31 March, 2020
Advance to Employees		
Unsecured, considered good	53.34	89.78
<b>Total</b>	<b>53.34</b>	<b>89.78</b>

#### 10a. Other Financial Assets - Current

₹ in lakh

	31 March,2021	31 March, 2020
Derivative Instruments-Mark to Market valuation	14.49	129.70
	<b>14.49</b>	<b>129.70</b>

### 11 Current Tax Assets ( Net)

₹ in lakh

	31 March,2021	31 March, 2020
Advance Payment of Income Tax (Less Provision)	185.51	351.54
	<b>185.51</b>	<b>351.54</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 12 Other Current Assets

₹ in lakh

	31 March,2021	31 March, 2020
Advance against Purchases	513.29	579.12
Balance with Government Authorities	549.51	647.66
Insurance Claim Receivable*	85.68	137.47
Goods and Service Tax Refund Receivable**	124.28	124.28
Advance Payment of Sales Tax/GST	34.21	684.39
Export Incentive Receivable	1187.89	1486.46
Budgetary Support Under GST Regime Receivable	-	459.93
Prepaid Expenses	406.06	383.36
<b>Total</b>	<b>2900.92</b>	<b>4502.67</b>

\*Amount Netted of Provision of ₹17.86 lakh

\*\* includes interest paid on IGST of ₹109.80 lakh 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 according this amount has been kept as receivable.

### 13. Equity Share Capital

₹ in lakh

	Number	31 March,2021	Number	31 March,2020
<b>13.1 Authorised</b>				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
<b>13.2 Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
<b>13.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	-	-	-	-
<b>Total</b>	<b>24136374</b>	<b>1206.82</b>	<b>24136374</b>	<b>1206.82</b>

#### 13.4 Terms/Rights attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of ₹5 per share. 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 ₹Nil (Previous year ₹3). And this year interim dividend distributed ₹Nil per share (Previous year ₹4)

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.

#### 13.5 Name of the Shareholders holding more than 5% Shares

	31 March,2021		31 March,2020	
	Number	%	Number	%
<b>EQUITY SHARES</b>				
Greenply Leasing & Finance Pvt Ltd	9063511	37.55%	9003511	37.30%
Saurabh Mittal	3146534	13.04%	3206534	13.29%
Westbridge Crossover Fund LLC	-	-	1901342	7.88%
HDFC Trustee Company Ltd	2174376	9.01%	2174376	9.01%
Ashish Dhawan	1362842	5.65%	1362842	5.65%
Blue Diamond Properties Private Limited	1745970	7.23%	-	-

**13.6** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 14. Other Equity

₹ in lakh

	31 March,2021	31 March, 2020
<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	2500.00	2000.00
Add: Transferred from Statement of Profit and Loss	500.00	500.00
	<b>3000.00</b>	<b>2500.00</b>
<b>Retained Earnings</b>		
Retained Earnings other than OCI		
Balance as per last Financial Statements	30309.81	23238.96
Add : Profit for the year	6684.87	9262.73
Less : Transferred to General Reserve	500.00	500.00
Less : Dividend on Equity Shares	-	1689.55
Less : Tax on Distribution of Dividend	-	2.33
	<b>36494.69</b>	<b>30309.81</b>
<b>Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	(288.56)	(161.77)
Remeasurements of the net defined benefit plans	93.70	(126.79)
	<b>(194.86)</b>	<b>(288.56)</b>
<b>Total</b>	<b>54633.30</b>	<b>47854.73</b>

### 15. Borrowings (Non Current)

₹ in lakh

	31 March,2021	31 March, 2020
<b>Secured</b>		
Term Loans From Banks		
Rupee Loans	10488.62	11750.00
	<b>10488.62</b>	<b>11750.00</b>
Less : Current maturities of Long Term Borrowings*	2497.47	3550.00
	<b>7991.15</b>	<b>8200.00</b>

**15.1** Term Loans of ₹10488.62 lacs 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

	Repayment Schedule				
	2021-2022	2022-23	2023-2024	2024-2025	2025-2026
Term Loans from Banks					
Secured					
Equal Quarterly Installments	1000.00	1000.00	1000.00	750.00	-
Equal Quarterly Installments	1497.47	1497.47	1497.47	1497.47	748.74
	<b>2497.47</b>	<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** The Company has not defaulted in repayment of loans and interest during the period.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 16. Other Financial Liabilities - (Non Current)

₹ in lakh

	31 March,2021	31 March, 2020
<b>Others</b>		
Security Deposits from Customers	167.01	170.40
Liability for Right to Use	4169.51	4519.62
<b>Total</b>	<b>4336.52</b>	<b>4690.02</b>

### 17. Provisions - (Non Current)

₹ in lakh

	31 March,2021	31 March, 2020
Provisions for Employee Benefits		
Net defined benefit liability- Gratuity (Refer Note No 29.1.iii)	342.27	1562.42
Liability for compensated absences (Refer Note No 29.1.iv)	623.94	581.84
<b>Total</b>	<b>966.21</b>	<b>2144.26</b>

### 18. Deferred Tax Liabilities (Net)

₹ in lakh

	31 March,2021	31 March, 2020
<b>Deferred Tax Liabilities</b>		
Depreciation	1862.33	1985.18
Others	42.26	462.72
	<b>1904.59</b>	<b>2447.90</b>
Less : Deferred Tax Assets		
Provision for Gratuity/Liabilities	422.09	791.22
<b>Total</b>	<b>1482.50</b>	<b>1656.67</b>

### 19. Borrowings (Current)

₹ in lakh

	31 March,2021	31 March, 2020
<b>Secured</b>		
Loans Repayable on Demand		
Working Capital Loans		
From Banks		
Rupee Loans	11750.00	11500.00
<b>Unsecured</b>		
Other Loans and advances		
From Banks	-	1500.00
Channel Finance Assurance Facility	-	300.00
	-	<b>1800.00</b>
<b>Total</b>	<b>11750.00</b>	<b>13300.00</b>

**19.1** Working Capital Loans of ₹11750 lacs 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).

**19.2** The Company has not defaulted in repayment of loans and interest during the period.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 20. Trade Payables

₹ in lakh

	31 March,2021	31 March, 2020
Dues to Micro and Small Enterprises		
(to the extent identified with the available information)(Refer Note 42)	900.03	325.77
Dues to Other than Micro and Small Enterprises	20583.16	15521.42
<b>Total</b>	<b>21483.19</b>	<b>15847.19</b>

### 21. Other Financial Liabilities - Current

₹ in lakh

	31 March,2021	31 March, 2020
Current maturities of Long Term Borrowings*	2497.47	3550.00
Interest Accrued but not due on borrowings	0.63	2.26
Unpaid Dividend	3.33	7.13
Liability for Right to Use	1078.15	1011.43
Employees Payables	1434.90	1194.53
Unspent Corporate Social Responsibility Payable	45.76	-
Others	0.04	0.03
<b>Total</b>	<b>5060.28</b>	<b>5765.38</b>

\* The terms are stated in notes nos. 15.1 to 15.3

**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 lakh

	31 March,2021	31 March, 2020
Advance from Customers	780.56	878.53
Statutory Dues	1630.03	1025.66
Provision for Cash Discount	73.74	-
Amount Payable to Capital Goods Vendors	156.29	584.48
Other Current Liability	-	-
<b>Total</b>	<b>2640.62</b>	<b>2488.67</b>

### 23. Provisions - (Current)

₹ in lakh

	31 March,2021	31 March, 2020
Provision for employee benefits		
Net defined benefit liability- Gratuity (Refer Note No 29.1.iii)	77.44	106.65
Liability for compensated absences (Refer Note No 29.1.iv)	83.00	62.52
	<b>160.44</b>	<b>169.17</b>

### 24 Revenue From Operations

₹ in lakh

	31 March,2021	31 March, 2020
Sale of Products		
	109929.78	117719.01
<b>Other Operating Revenue</b>		
Export Incentive *	2520.98	3797.76
Budgetary Support Under GST Regime	-	136.57
Miscellaneous Income	154.44	1068.84
	<b>2675.42</b>	<b>5003.17</b>
<b>Total</b>	<b>112605.20</b>	<b>122722.18</b>

\*The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced erstwhile scheme of export benefits of MEIS w.e.f. January 01, 2021.As the rates under RODTEP have not been announced till date, the income on account of benefits under the new

## Notes to Standalone Financial Statement

for the period ended 31 March, 2021

### 24 Revenue From Operations (contd)

scheme has not been recognized for the quarter ended March 31, 2021

#### 24.1 Sales of Products

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Decorative Laminates	95172.53	96556.50
[including exports ₹49832.17 lacs (Previous year ₹46176.96 lacs)]		
Decorative Veneers	7777.52	11114.33
[including exports ₹138.94 lacs (Previous year ₹108.10 lacs)]		
Engineered Wood Flooring	3002.84	4429.79
[including exports ₹1224.89 lacs (Previous year ₹1172.31 lacs)]		
Melamine Faced Chipboards	877.00	1841.13
Engineered Door Sets & Door Leaf	2346.54	3190.84
[including exports ₹902.45 lacs (Previous year ₹536.34 lacs)]		
Others	753.35	586.42
[including exports ₹27.88 lacs (Previous year Nil)]		
<b>Total</b>	<b>109929.78</b>	<b>117719.01</b>

### 25. Other Income

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest Income	132.93	91.89
Liabilities no longer required written back	84.86	57.11
Corporate Guarantee/SBLC Commission	55.08	71.38
Other Income	34.05	12.05
Dividend Received from Subsidiaries	-	1826.90
Gain due to Fluctuation in Foreign Exchange Rates	-	205.46
Profit on Sale of Mutual Fund*	27.01	-
Dividend Received - Mutual Fund**	27.58	-
<b>Total</b>	<b>361.51</b>	<b>2264.79</b>

\*includes unrealized gain of ₹1.19 lakh

\*\*includes unrealized gain of ₹6.06 lakh

### 26. Cost Of Materials Consumed

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventory of raw material at the beginning of the year	18321.96	17004.37
Add: Purchase	59093.91	69761.90
Less: Inventory of raw material at the end of year	18437.59	18321.96
<b>Total</b>	<b>58978.28</b>	<b>68444.31</b>

### 27. Purchase Of Stock In Trade

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Purchase of Traded Goods	595.00	1099.04
<b>Total</b>	<b>595.00</b>	<b>1099.04</b>

## Notes to Standalone Financial Statement

for the period ended 31 March, 2021

### 28. Changes In Inventories of Finished Goods, Stock in Process and Stock in Trade

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>OPENING STOCK</b>		
Finished Goods	7133.97	5675.25
Stock in Trade	100.27	192.10
Goods-in-Process	6362.21	4753.23
	13596.45	10620.58
<b>CLOSING STOCK</b>		
Finished Goods	7398.70	7133.97
Stock in Trade	108.43	100.27
Goods-in-Process	5507.33	6362.21
	13014.46	13596.45
<b>Total</b>	<b>581.99</b>	<b>(2975.87)</b>

### 29. Employees Benefits Expense

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Salary, Wages and Bonus	15577.42	16695.77
Contribution to Provident Fund & Employees' State Insurance	723.29	777.14
Employees' Welfare Expenses	351.27	444.33
<b>Total</b>	<b>16651.98</b>	<b>17917.24</b>

#### 29.1 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.

#### iii) Actuarial Valuation of Gratuity Liability

	₹ in lakh	
	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>a) Defined Benefit Cost</b>		
Current Service Cost	195.20	200.48
Interest Expense on Defined Benefit Obligation (DBO)	113.50	95.79
Defined Benefit Cost included in Profit and Loss	<b>308.70</b>	<b>296.27</b>
Remeasurements - Due to Financial Assumptions	2.03	155.51
Remeasurements - Due to Experience Adjustments	(114.62)	14.59
Defined Benefit Cost included in Other Comprehensive Income	<b>(112.59)</b>	<b>170.10</b>
Total Defined Benefit Cost in Profit and Loss and OCI	<b>196.11</b>	<b>466.37</b>
<b>b) Movement in Defined benefit liability (Net):</b>		
Opening Defined Benefit Obligation	1669.07	1252.14
Interest Expense on Defined Benefit Obligation (DBO)	113.50	95.79
Current Service Cost	195.20	200.48
Total Remeasurements included in OCI	(125.21)	169.43
Less: Contribution paid to Fund	(1330.00)	-

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 29. Employees Benefits Expense (contd)

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Less: Benefits paid	(102.85)	(48.77)
Closing benefit obligation	<b>419.70</b>	<b>1669.07</b>
Current Liabilities of Closing benefit obligation	77.44	106.65
Non-Current Liabilities of Closing benefit obligation	342.26	1562.42
	<b>419.70</b>	<b>1669.07</b>
<b>c) Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the period	-	-
Actual return on plan assets	12.65	-
Fund Charges	(0.03)	-
Employer contribution	1330.00	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	<b>1346.62</b>	-
<b>d) Sensitivity Analysis:</b>		
Under Base Scenario		
Salary Escalation - Increase by 0.50%	107.56	104.56
Salary Escalation - Decrease by 0.50%	(99.64)	(96.65)
Discount Rates - Increase by 0.50%	(98.04)	(95.09)
Discount Rates - Decrease by 0.50%	106.73	103.74
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	6.79%	6.80%
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%

### 29.1.(iv) Disclosures Regarding Employee Benefits

#### Actuarial Valuation of Leave Encashment Liability :

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Defined Benefit Cost</b>		
Current Service Cost	111.49	122.66
Interest Expense on Defined Benefit Obligation (DBO)	43.82	44.10
Defined Benefit Cost included in Profit and Loss	<b>155.31</b>	<b>166.76</b>
Remeasurements - Due to Financial Assumptions	0.86	62.11
Remeasurements - Due to Experience Adjustments	95.97	63.92
Defined Benefit Cost included in Other Comprehensive Income	<b>96.83</b>	<b>126.03</b>
Total Defined Benefit Cost in Profit and Loss and OCI	<b>252.14</b>	<b>292.79</b>
<b>Movement in Defined benefit liability:</b>		
Opening Defined Benefit Obligation	644.36	576.42
Interest Expense on Defined Benefit Obligation (DBO)	43.82	44.10
Current Service Cost	111.49	122.66
Total Remeasurements included in OCI	96.82	125.77
Less: Benefits paid	(189.55)	(224.59)
Closing benefit obligation	<b>706.94</b>	<b>644.36</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 29.1 Employees Benefits Expense (contd)

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Current Liabilities of Closing benefit obligation	83.00	62.52
Non-Current Liabilities of Closing benefit obligation	623.94	581.84
	<b>706.94</b>	<b>644.36</b>
Sensitivity Analysis:		
<b>Under Base Scenario</b>		
Salary Escalation - Increase by 0.50%	42.72	41.59
Salary Escalation - Decrease by 0.50%	(39.29)	(38.29)
Discount Rates - Increase by 0.50%	(38.66)	(37.67)
Discount Rates - Decrease by 0.50%	42.39	41.27
<b>Actuarial assumptions:</b>		
Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	6.79%	6.80%
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%

(v) Amount incurred as expense for defined contribution to Provident Fund is ₹587.62 lacs (Previous Year ₹634.21lacs).

### 30. Finance Costs

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Interest Expense	1175.93	1566.28
Interest Expense (Right to Use)	421.67	450.81
Other Borrowing Cost	5.77	12.82
<b>Total</b>	<b>1603.37</b>	<b>2029.91</b>

30.1 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹ Nil).

### 31. Depreciation & Amortisation Expense

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Depreciation of Property, Plant & Equipment	3992.57	3702.04
Depreciation (Right to Use)	970.71	977.68
Amortisation of Intangible Assets	215.29	217.82
<b>Total</b>	<b>5178.57</b>	<b>4897.54</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 32. Other Expenses

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Consumption of stores and spares	978.94	988.27
Power & Fuel	3326.58	3376.93
Rent	2.91	70.24
Repairs to buildings	85.18	58.82
Repairs to machinery	505.94	611.37
Insurance	231.67	164.05
Rates and taxes	35.71	38.76
Travelling expenses	507.69	1450.01
Freight & delivery expenses	2530.60	2814.35
Export Expenses	4283.06	3484.24
Advertisement & Sales promotion	3192.45	5280.09
Auditors' Remuneration	27.24	26.98
Expenditure on CSR Activities	196.55	167.56
Bad Debts	-	7.32
Loss on Sale / Discard of Assets	35.13	79.34
Prior Period Expenses	-	2.65
Directors' Sitting Fees	23.20	21.50
Independent Directors' Commission	72.00	68.41
Loss/(Gain) due to Fluctuation in Foreign Exchange Rates	56.23	-
Other General Expenses	3335.37	3433.00
<b>Total</b>	<b>19426.45</b>	<b>22143.89</b>

#### 32.1 Auditors' Remuneration

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
As Auditors	26.00	25.75
For other services	1.24	1.23
<b>Total</b>	<b>27.24</b>	<b>26.98</b>

Note : Fees are exclusive of Goods & Services Tax

#### 32.2 Contribution For CSR Activities

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
(a) Gross Amount required to be spent by the Company during the year	196.55	167.52
(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	53.51	58.00
- Contribution towards Education of Orphan Girl Child	28.50	28.50
- Contribution towards Promotion of Education, Health and Livelihood	59.53	5.13
- Others	9.25	72.93
- Amount Provided for PM Cares Fund	-	3.00
(c) Unspent Amount Deposited into bank :	45.76	-
	<b>196.55</b>	<b>167.56</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 33. Taxation

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Tax Expense recognised in the Statement of Profit and Loss:</b>		
Current Tax Expense	2539.90	2615.64
<b>Income Tax Expense</b>	<b>2539.90</b>	<b>2615.64</b>
Earlier Years Tax Expense	(308.16)	(140.35)
<b>Income Tax Expense including Earlier year tax</b>	<b>2231.74</b>	<b>2475.29</b>
Deferred Tax	(205.71)	(307.12)
<b>Total Tax Expense in Statement of Profit and Loss</b>	<b>2026.03</b>	<b>2168.17</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	8710.90	11430.90
Re-measurement gain/(loss) on defined benefit plans in OCI	125.21	(169.43)
<b>Accounting Profit before Tax</b>	<b>8836.11</b>	<b>11261.47</b>
Applicable Income Tax rate	25.168%	25.168%
<b>Computed Tax expense</b>	<b>2223.87</b>	<b>2834.29</b>
Additional deductions for under Chapter VIA	(8.18)	(9.74)
Charity, Donation and CSR Expenses	49.47	43.64
Difference in Book Depreciation and Depreciation as per IT Act	373.02	299.90
Others	(98.28)	(865.95)
Tax on Dividend Paid at Special Rate	-	313.50
Earlier Years Tax Expense	(308.16)	(140.35)
Deferred Tax	(205.71)	(307.12)
<b>Income Tax charged to Statement of Profit and Loss</b>	<b>2026.03</b>	<b>2168.17</b>

### 34. Earnings Per Share

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Calculation of weighted average number of equity shares of ₹5 each		
No of Shares at the beginning of the year	24136374	24136374
Total number of equity shares outstanding at the end of the year	24136374	24136374
Weighted average number of equity shares outstanding during the year	24136374	24136374
Net Profit (after tax, available for equity shareholders) ₹ in lakh	6684.87	9262.73
<b>Basic and Diluted Earnings Per Share ₹</b>	<b>27.70</b>	<b>38.38</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 35. Contingent Liabilities and Commitments

(to the extent not provided for)

#### Contingent liabilities

##### (a) Claims against the company not acknowledge as debt:

₹ in lakh

	31 March,2021	31 March, 2020
(i) Excise duty, sales tax and other indirect taxes in dispute	37.68	109.23
(ii) Consumer court cases in dispute	8.64	17.39
(iii) Other Cases	29.13	15.00

#### Notes:

- Based on the discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.
- The company does not expect any reimbursements in respect of the above contingent liabilities.
- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

##### (b) Others:

₹ in lakh

	31 March,2021	31 March, 2020
a) Letters of Credit established but Goods not received	6673.64	4330.20
<b>b) Stand By Letter of Credit Given</b>	<b>Outstanding</b>	<b>Outstanding</b>
Greenlam America Inc. (SBLC USD 10 lacs)*	-	510.23
* SBLC given to GAI has been withdrawn as Subsidiary repaid the Working Capital Loan.		
<b>c) Corporate Guarantee Given</b>		
Greenlam Asia Pacific Pte Ltd - USD 50 lacs (Previous Year USD 50 lacs)	3655.25	3779.50
Greenlam Europe ( UK) Ltd -GBP 10 lacs ( Previous Year - 10 lakh)	1007.24	936.56
	<b>4662.49</b>	<b>4716.06</b>

### 35.1 Commitments

₹ in lakh

	31 March,2021	31 March, 2020
a. Estimated pending Capital contract ( Net of Advance)	972.98	2495.58
b. Uncalled liability on shares and other investments which are partly paid	-	-
c. Other commitments	-	-

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 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,2021

#### Information about Business Segments - Primary

₹ in lakh

Reportable Segment	Laminate & Allied Products		Veneer & Allied Products		Un Allocated		Total	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Revenue</b>								
External Sales	96710.82	98920.75	13218.96	18798.26	-	-	<b>109929.78</b>	<b>117719.01</b>
Inter-segment Sales	-	-	-	-	-	-	-	-
<b>Gross Sales</b>	<b>96710.82</b>	<b>98920.75</b>	<b>13218.96</b>	<b>18798.26</b>	-	-	<b>109929.78</b>	<b>117719.01</b>
Other Operating Income	2303.08	4326.35	372.34	676.82	-	-	<b>2675.42</b>	<b>5003.17</b>
<b>Revenue from Operation</b>	<b>99013.90</b>	<b>103247.10</b>	<b>13591.30</b>	<b>19475.08</b>	-	-	<b>112605.20</b>	<b>122722.18</b>
<b>Result</b>								
Segment Result	17975.30	19188.07	(687.04)	149.26	-	-	<b>17288.26</b>	<b>19337.33</b>
Unallocated Corporate Expenses					5866.75	5968.41	<b>5866.75</b>	<b>5968.41</b>
<b>Operating Profit</b>							<b>11421.51</b>	<b>13368.92</b>
Less : Interest Expense					1603.37	2029.91	<b>1603.37</b>	<b>2029.91</b>
Add : Interest Income					132.93	91.89	<b>132.93</b>	<b>91.89</b>
<b>Profit before Tax</b>							<b>9951.07</b>	<b>11430.90</b>
<b>Exceptional Item (gain)/ Loss</b>							<b>1240.17</b>	<b>-</b>
Current Tax including Earlier Year Tax							<b>2231.74</b>	<b>2475.29</b>
Deferred Tax							<b>(205.71)</b>	<b>(307.12)</b>
<b>Profit after Tax</b>							<b>6684.87</b>	<b>9262.73</b>
Other Comprehensive Income							<b>93.70</b>	<b>(126.79)</b>
<b>Total Comprehensive Income for the year, net of Tax</b>							<b>6778.57</b>	<b>9135.94</b>
<b>Other Information</b>								
Segment Assets	60646.17	57146.52	24431.35	26981.09	26633.51	19195.30	<b>111711.03</b>	<b>103322.91</b>
Segment Liabilities	24197.35	17881.31	2778.34	3277.88	5174.06	6395.47	<b>32149.75</b>	<b>27554.66</b>
Loan Fund					22238.66	25050.03	<b>22238.66</b>	<b>25050.03</b>
Deferred Tax Liabilities (Net)					1482.50	1656.67	<b>1482.50</b>	<b>1656.67</b>
Shareholders' Funds					55840.12	49061.55	<b>55840.12</b>	<b>49061.55</b>
<b>Total Liabilities</b>							<b>111711.03</b>	<b>103322.91</b>

#### Secondary Segment - Geographical by location of customers

₹ in lakh

Reportable Segment	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Within India	57803.45	69725.30	111711.03	103322.91	4926.69	5210.22
Outside India	52126.33	47993.71	-	-	-	-
	<b>109929.78</b>	<b>117719.01</b>	<b>111711.03</b>	<b>103322.91</b>	<b>4926.69</b>	<b>5210.22</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.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 36. Segment Reporting (contd)

**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)

##### 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 Gowrishanker 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. Ashok Kumar Sharma, Chief Financial Officer
- ix) Mr. Prakash Kumar Biswal, Company Secretary

###### Enterprises Owned/Influenced by Key Managerial Personnel or their relatives

- i) Himalaya Granites Ltd.
- 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

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 37. Related Party Disclosures (contd)

#### 37.2 Transactions During The Year:

₹ in lakh

Particulars	Subsidiaries		Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020	2020-21	2019-2020
<b>Sale of Products</b>						
Greenply Industries Ltd.	-	-	-	-	79.42	38.99
Greenpanel Industries Ltd.	-	-	-	-	199.66	97.06
Greenlam Asia Pacific Pte. Ltd.	11157.96	13165.84	-	-	-	-
Greenlam America, Inc.	6430.39	6999.65	-	-	-	-
Greenlam Europe (UK) Ltd.	5572.82	4551.84	-	-	-	-
Greenlam Decolan SA	6043.57	3379.11	-	-	-	-
Seema Realcon Pvt Ltd	-	-	-	-	5360.90	4990.98
<b>Total</b>	<b>29204.74</b>	<b>28096.44</b>	<b>-</b>	<b>-</b>	<b>5639.98</b>	<b>5127.03</b>
<b>Purchase of Products</b>						
Greenpanel Industries Ltd	-	-	-	-	446.87	852.70
Seema Realcon Pvt Ltd	-	-	-	-	2.59	0.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449.46</b>	<b>852.90</b>
<b>Commission and Reimbursement of Expenses</b>						
Seema Realcon Pvt Ltd	-	-	-	-	18.85	-
Greenlam RUS LLC	62.36	-	-	-	-	-
Greenlam Employees Gratuity Trust	-	-	-	-	0.32	-
<b>Total</b>	<b>62.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.17</b>	<b>-</b>
<b>Contribution to Gratuity Trust</b>						
Greenlam Employees Gratuity Trust	-	-	-	-	1330.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1330.00</b>	<b>-</b>
<b>Dividend Received</b>						
Greenlam Asia Pacific Pte. Ltd.	-	787.95	-	-	-	-
Greenlam America, Inc.	-	1038.94	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1826.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment (Equity Shares)</b>						
Greenlam South Ltd	4544.79	100.00	-	-	-	-
Greenlam RUS LLC	0.19	-	-	-	-	-
<b>Total</b>	<b>4544.98</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment (OCPS)</b>						
Greenlam South Ltd	-	4544.79	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4544.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loan Given</b>						
Greenlam South Ltd	65.00	-	-	-	-	-
<b>Total</b>	<b>65.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest Received</b>						
Greenlam South Ltd	2.49	49.77	-	-	-	-
<b>Total</b>	<b>2.49</b>	<b>49.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 37. Related Party Disclosures (contd)

₹ in lakh

Particulars	Subsidiaries		Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020	2020-21	2019-2020
<b>Guarantee Commission Received</b>						
Greenlam Asia Pacific Pte. Ltd.	36.82	48.05	-	-	-	-
Greenlam Europe (UK) Ltd.	9.70	9.04	-	-	-	-
<b>Total</b>	<b>46.52</b>	<b>57.09</b>	-	-	-	-
<b>SBLC Charges Received</b>						
Greenlam America Inc.	8.56	14.29	-	-	-	-
<b>Total</b>	<b>8.56</b>	<b>14.29</b>	-	-	-	-
<b>Rent Paid</b>						
Himalaya Granites Ltd.	-	-	-	-	59.16	58.11
Greenply Industries Ltd.	-	-	-	-	-	-
Greenpanel Industries Ltd.	-	-	-	-	0.60	0.60
<b>Total</b>	-	-	-	-	<b>59.76</b>	<b>58.71</b>
<b>Remuneration</b>						
Mr. Saurabh Mittal	-	-	409.86	519.48	-	-
Mrs. Parul Mittal	-	-	280.30	275.90	-	-
Mr Shiv Prakash Mittal	-	-	22.40	18.00	-	-
Mr. Vijay Kumar Chopra#	-	-	24.00	24.90	-	-
Ms. Sonali Bhagwati Dalal#	-	-	10.15	26.30	-	-
Mr. Sandip Das#	-	-	24.40	20.71	-	-
Ms. Matangi Gowrishanker#	-	-	14.25	-	-	-
Mr. Ashok Kumar Sharma	-	-	115.17	124.75	-	-
Mr. Prakash Kumar Biswal	-	-	45.37	51.32	-	-
<b>Total</b>	-	-	<b>945.90</b>	<b>1061.36</b>	-	-
<b>Amount outstanding as at Balance Sheet date</b>						
<b>Trade Receivable</b>						
Greenlam Asia Pacific Pte. Ltd.	214.26	43.08	-	-	-	-
Greenlam America, Inc.	416.79	46.32	-	-	-	-
Greenlam Europe (UK) Ltd.	1392.85	1337.92	-	-	-	-
Greenlam Decolan SA	3628.62	2405.45	-	-	-	-
Greenply Industries Ltd.	-	-	-	-	-	8.22
Greenpanel Industries Ltd.	-	-	-	-	25.45	20.90
<b>Total</b>	<b>5652.52</b>	<b>3832.77</b>	-	-	<b>25.45</b>	<b>29.12</b>
<b>Advance from Customer</b>						
Seema Realcon Pvt Ltd *	-	-	-	-	45.51	9.95
	-	-	-	-	45.51	9.95
<b>Loan Receivable (Including Intt)</b>						
Greenlam South Ltd	25.28	-	-	-	-	-
<b>Total</b>	<b>25.28</b>	-	-	-	-	-
<b>Expense Payable</b>						

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 37. Related Party Disclosures (contd)

₹ in lakh

Particulars	Subsidiaries		Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020	2020-21	2019-2020
Greenlam RUS LLC	22.68	-	-	-	-	-
Greenlam Employees Gratuity Trust	-	-	-	-	0.32	-
<b>Total</b>	<b>22.68</b>	-	-	-	<b>0.32</b>	-
<b>Trade Payable</b>						
Greenpanel Industries Ltd.	-	-	-	-	130.55	43.65
Seema Realcon Pvt Ltd	-	-	-	-	1.53	-
<b>Total</b>	-	-	-	-	<b>132.08</b>	<b>43.65</b>
<b>Remuneration Payable</b>						
Mr. Saurabh Mittal	-	-	242.88	255.00	-	-
Mrs. Parul Mittal	-	-	192.85	141.50	-	-
Mr Shiv Prakash Mittal	-	-	18.00	18.00	-	-
Mr. Vijay Kumar Chopra	-	-	18.00	18.00	-	-
Ms. Sonali Bhagwati Dalal	-	-	7.35	18.00	-	-
Mr. Sandip Das	-	-	18.00	18.00	-	-
Ms. Matangi Gowrishanker	-	-	10.65	-	-	-
Mr. Ashok Kumar Sharma	-	-	4.92	-	-	-
Mr. Prakash Kumar Biswal	-	-	2.07	-	-	-
<b>Total</b>	-	-	<b>514.72</b>	<b>468.50</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

\* Amount due from Seema Realcon Pvt Ltd is exclusive of ₹ Nil (Previous Year ₹ 159.71 lacs), received through Channel Finance

Facility from a Bank.

#### 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 Standalone Financial Statement

for the period ended 31 March,2021

### 38. Particulars Of Loans, Guarantee Or Investments Made By The Company:

#### (I) Details Of Loans:

SI No.	Date of Loan/ Investment	Date of Board Resolution	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 lakh)	Rate of interest	Security	Prevailing yield of 3 year Government Security at the time of extending the loan
1	30th April,2020	29th Jan,2020	N.A.	Greenlam South Ltd	Business Purpose	10.00	7.50%	Unsecured	Square off on 30/09/2020
2	3rd June,2020	29th Jan,2020	N.A.	Greenlam South Ltd	Business Purpose	50.00	7.50%	Unsecured	₹30 lacs repaid on 30/09/2020
3	16th Sep,2020	29th Jan,2020	N.A.	Greenlam South Ltd	Business Purpose	5.00	7.50%	Unsecured	Outstanding as on 31/03/2021

#### (II) Details Of Investments:

SI 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 (₹ in lakh)	Remarks
1	31st march,2021	29th Jan,2020	N.A.	Greenlam South Ltd	Business Purpose	4544.79	Outstanding OCPs have been converted into Equity shares as on 31/3/2021
2	28th Dec,2020	25th Sep,2020*	N.A.	Greenlam RUS LLC	Business Purpose	0.19	Subscribe 1% Shares of Step Down Subsidiary

\* Resolution passed by operation and finance committee of Board of Directors.

#### (III) Details Of Guarantee / Security Provided

SI 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 lakh)	Amount (₹ in lakh)	Expected rate of return
1	17th March 2021	2nd February,2021	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	USD 50	3655.25	Not Applicable
2	24th March 2021	2nd February,2021	Not Applicable	Greenlam Europe (UK) Ltd	For business requirements.	GBP 10	1007.24	Not Applicable

# Represents amount as on the year end rate

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 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

#### 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:

Particulars	₹ in lakh	
	Impact on profit & Loss 31 March,2021	Impact on profit & Loss 31 March, 2020
Interest Rate Increase by 50 basis point	(111.19)	(123.75)
Interest Rate decrease by 50 basis point	111.19	123.75

#### 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	Currency	31 MARCH,2021		31 MARCH,2020	
		Foreign Currency	₹ in lakh	Foreign Currency	₹ in lakh
Purchase (Hedging of Trade Payables)	EURO	625428	536.32	2736464	2280.31
	USD	983356	718.88	1879483	1420.70
	JPY	11020245	72.79	25934460	182.42
			<b>1327.99</b>		<b>3883.43</b>
Trade Receivables*	GBP	2774294	2794.38	2042318	1912.75
	EURO	1789885	1534.87	-	-
			<b>4329.25</b>		<b>1912.75</b>

\* include Forward Cover on Contractual agreement.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 39 Financial Risk Management (contd)

#### Unhedged Foreign Currency Exposures:

Particulars	Currency	31 MARCH,2021		31 MARCH,2020	
		Foreign Currency	₹ in lakh	Foreign Currency	₹ in lakh
Trade Payables	EURO	5259380	4510.03	3007656	2506.29
	USD	2439016	1783.04	1307150	988.07
	GBP	10612	10.69	2632	2.46
	AED	86676	17.25	89551	18.43
	SGD	1700	0.92	-	-
	JPY	4148465	27.40	-	-
			<b>6349.33</b>		<b>3515.25</b>
Trade Receivables	EURO	4780274	4099.19	3683123	3069.16
	USD	2492603	1822.22	2032156	1536.11
	GBP	186275	187.62	-	-
			<b>6109.03</b>		<b>4605.27</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 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 lakh	
	31 March,2021	31 March, 2020
Trade Receivables	13882.53	12219.29
Less : Expected Credit Loss	96.78	102.32
Trade Receivables	<b>13785.75</b>	<b>12116.97</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."

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 39 Financial Risk Management (contd)

#### 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 debt/equity ratio, which is total debt divided by total equity.

	₹ in lakh	
Particulars	31 March,2021	31 March, 2020
Total Debt	22238.62	25050.00
Total Equity	55840.12	49061.55
Gearing Ratio	<b>0.40</b>	<b>0.51</b>

#### 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 lakh	
	31 March,2021	31 March, 2020
Financial assets at amortised cost:		
Investments	7057.00	7057.00
Loans - Non-current	318.23	218.61
Trade Receivables (Non-Current)	78.21	58.14
Trade Receivables	13707.54	12058.83
Cash and Cash Equivalents	1079.80	2496.80
Bank Balances other than above	9.06	32.65
Loans - Current	53.34	89.78
<b>Total</b>	<b>22303.19</b>	<b>22011.81</b>
Financial assets at fair value through profit and loss:		
Derivative - current - Level 2	-	-
<b>Total Financial Assets</b>	<b>22303.19</b>	<b>22011.81</b>
Financial liabilities at amortised cost:		
Borrowings - Non-current	7991.15	8200.00
Other Financial Liabilities - Non-current	4336.52	4690.02
Borrowings - Current	11750.00	13300.00
Trade Payables	21483.19	15847.19
Other Financial Liabilities - Current	5060.28	5765.38
<b>Total</b>	<b>50621.15</b>	<b>47802.59</b>
Financial Liabilities at fair value through profit and loss:		
Derivative - current - Level 2	-	-
<b>Total Financial Liabilities</b>	<b>50621.15</b>	<b>47802.59</b>

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 41. Taxation

A 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 31 March, 2020 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 lakh	
	31 March,2021	31 March, 2020
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	900.03	325.77
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	<b>900.03</b>	<b>325.77</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.	-	-

### 43 Right to Use Assets/Lease Liability

#### a. Right to 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 lakh	
Particulars	31 March,2021	31 March, 2020
Addition during the FY 2020-21	352.25	7968.02
Depreciation Charged	970.71	977.68
Carrying amount as at March 31, 2021	6367.19	6990.35
Cash Flow for leases	628.42	581.69

#### b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

	₹ in lakh	
Period	31 March,2021	31 March, 2020
0-1 year	1078.15	1011.43
1-5 year	4117.47	2668.92
More than 5 year	52.04	1850.7

c. The Company has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹2.91 lakh ( Previous Year ₹70.24 lakh) associated with these lease.

d. The Company has recognised Interest expenses of ₹421.67 lakh (Previous Year ₹450.81 lakh) on Lease Liabilities during the year.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

### 43 Right to Use Assets/Lease Liability (contd)

- 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.
- The Company does not have any lease restrictions and commitment towards variable rent as per the contract.
- 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.
- 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 lakh	
	31 March,2021	31 March, 2020
<b>Cash dividend on equity shares declared and paid</b>		
Final dividend for the year ended on 31 March 2020:		
Nil per share (31 March 2019: ₹3.00)	-	724.09
Dividend distribution tax on final dividend	-	2.33
<b>Total dividend paid</b>	<b>-</b>	<b>727.44</b>
Interim dividend for the year ended on 31 March 2021:		
₹ Nil per share (31 March 2020: ₹4.00)	-	-
Dividend distribution tax on Interim dividend	-	965.46
<b>Proposed dividend on Equity shares</b>		
Final dividend for the year ended on 31 March 2021		
₹5 (31 March 2020: ₹ Nil)	1206.82	-
Dividend distribution tax on final dividend	-	-
<b>Total dividend proposed</b>	<b>1206.82</b>	<b>-</b>

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.

## Notes to Standalone Financial Statement

for the period ended 31 March,2021

- 46.** Exceptional Items of ₹1240.17 lac denotes amount paid for settling outstanding entry tax disputes with Rajasthan & Himachal Pradesh Commercial Tax Department as below

Rajasthan Govt has announced an AMENSTY SCHEME-2021 in February, 2021 towards rebate of tax and settlement of outstanding demands and disputes. The Company has availed the said scheme and settled the outstanding disputes and demands, towards disputed Entry Tax on raw materials as well as interest and penalty thereon, for ₹1177.45 lacs by payment of ₹662.77 lacs (50% of outstanding entry tax demand) and foregoing ₹514.68 lacs which was earlier deposited under protest. -Similarly, the Company has also availed Himachal Pradesh (Legacy Cases resolutions) Scheme, 2019 for settlement of outstanding Entry Tax demand on raw material, by paying 10% settlement fees of ₹62.72 lac for settlement of outstanding taxes and interest accrued thereon.

- 47.** 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  
**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: L21016AS2013PLC011624

**Saurabh Mittal**  
Managing Director & CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**(Naveen Aggarwal)**  
Partner  
Membership No. 094380  
Place of Signature : New Delhi  
Dated : 27th May, 2021

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

## Independent Auditors' Report

To  
The Members of  
**Greenlam Industries Limited**

### Report on the Audit of the 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, 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the Statement of Changes in Equity 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, 2021, of consolidated profit and 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 specified under section 143(10) of the Act (SAs). 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/ results for one its 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. 44 on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

#### 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
	<p><b>Recognition of Revenue</b> (In respect of Holding Company) 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, 2021, the Company's Statement of Profit &amp; Loss included Sales of ₹109929.78 lakh. 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. 24 of the standalone 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 recognised in the correct accounting period. We also tested journal entries recognised 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 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 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, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 & one subsidiary company incorporated in India (based on the auditors report of the auditors of the subsidiary company) has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 six subsidiaries/step down subsidiaries, whose financial statements reflect total assets of ₹13331.07 lacs as at March 31, 2021, total revenues of ₹36,049.38 lakh and net cash flows amounting to ₹190.55 lacs, Profit after Tax of ₹771.63 lacs and total Comprehensive Income of ₹789.33 lacs 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 subsidiary based solely on the reports of the other auditors.

We did not audit the financial information of four step down subsidiary whose financial statements reflect total assets of ₹403.66 lacs as at March 31, 2021, total revenues of ₹171.90 lacs and net cash flows amounting to ₹70.81 lacs, profit after Tax of ₹(44.46) lacs and total Comprehensive Income of ₹(44.68) lacs 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 subsidiary 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 purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of 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 Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India none of the directors is disqualified as on March 31, 2021 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 adequacy of the internal financial controls with reference to the financial statements of the Holding Company and Its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) 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.
- (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 Auditor's) Rules, 2014, as amended, 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 in its Consolidated financial position refer to Note 38 to the consolidated financial statements;
- ii. Group has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding 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.

### For S S KOTHARI MEHTA & COMPANY

Chartered Accountants  
Firm Reg. No. : 000756N

### Naveen Aggarwal

Partner  
Membership No.:094380  
UDIN 21094380AAAADO8210  
Place: New Delhi  
Date: May 27, 2021

# “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(g) 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, 2021, we have audited the internal financial controls with reference to financial statements reporting of Greenlam Industries Limited (‘the Holding Company’) and its subsidiary Greenlam South Limited, 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 statements 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (‘the Act’).

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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 Act, 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 statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 statements

A company’s internal financial control with reference to financial statements 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 financial statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Subsidiary Company which was incorporated in India have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial

controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## For S S KOTHARI MEHTA & COMPANY

Chartered Accountants  
Firm Reg. No. : 000756N

## Naveen Aggarwal

Partner  
Membership No.:094380  
UDIN 21094380AAAAD08210  
Place: New Delhi  
Date: May 27, 2021

## Consolidated Balance Sheet as at 31 March, 2021

₹ in lakh

	Note No.	31 March, 2021	31 March, 2020
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	1	40207.03	41845.55
Capital Work-in-Progress	2	1746.17	1493.40
Goodwill	3	311.03	320.96
Other Intangible Assets	3	791.88	705.88
Intangible Assets under Development		71.54	176.72
Financial Assets			
Investments	4	1.25	1.25
Loans	5	293.23	582.75
Trade Receivables	8a	78.21	58.14
Deferred Tax Assets	18b	641.13	1034.67
Other Non-current Assets	6	5491.41	4839.25
<b>Total Non-current assets</b>		<b>49632.88</b>	<b>51058.58</b>
<b>Current Assets</b>			
Inventories	7	37811.38	37103.19
Financial Assets			
Investments	4a	10639.72	-
Trade Receivables	8	13511.09	13779.68
Cash and Cash Equivalents	9a	1863.49	3063.77
Bank Balances other than above	9b	9.06	10.37
Loans	10	57.50	89.90
Other Financial Assets	10a	14.49	129.70
Current Tax Assets (Net)	11	206.06	351.54
Other Current Assets	12	4059.08	5824.69
<b>Total Current assets</b>		<b>68171.87</b>	<b>60352.84</b>
<b>Total Assets</b>		<b>117804.75</b>	<b>111411.42</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity Share Capital	13	1206.82	1206.82
Other Equity	14	56140.61	48860.36
Non Controlling Interest		46.44	10.90
<b>Total Equity</b>		<b>57393.87</b>	<b>50078.08</b>
<b>Liabilities:</b>			
<b>Non-current Liabilities :</b>			
<b>Financial Liabilities</b>			
Borrowings	15	8378.60	8593.33
Other Financial Liabilities	16	4762.38	5279.48
Provisions	17	966.21	2144.26
Deferred Tax Liabilities	18a	1906.40	2447.90
<b>Total Non-current liabilities</b>		<b>16013.59</b>	<b>18464.97</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	13964.84	17272.99
Trade Payables	20		
- Total O/s Dues of Micro and Small Enterprises		900.03	325.77
- Dues O/s Dues of Other than Micro and Small Enterprises		21376.00	16435.28
Other Financial Liabilities	21	5333.41	6089.23
Other Current Liabilities	22	2640.62	2488.67
Provisions	23	160.44	169.17
Current Tax Liabilities (Net)	24	21.95	87.26
<b>Total Current liabilities</b>		<b>44397.29</b>	<b>42868.37</b>
<b>TOTAL :</b>		<b>117804.75</b>	<b>111411.42</b>
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 46		

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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Consolidated Statement of Profit & Loss for the year ended 31 March, 2021

₹ in lakh

	Note No.	Year Ended 31 March, 2021	Year Ended 31 March, 2020
<b>INCOME:</b>			
Sale of Products		116917.76	126503.26
Other Operating Revenue		3041.30	5555.24
Revenue from Operations	25	119959.05	132058.50
Other Income	26	755.92	441.74
<b>Total Income</b>		<b>120714.98</b>	<b>132500.24</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	27	58978.28	68444.31
Purchase of stock in trade	28	1668.88	2151.71
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	29	(487.43)	(3556.49)
Employees Benefits Expense	30	20785.08	22195.58
Finance Costs	31	1692.36	2183.67
Depreciation and Amortization Expense	32	5556.26	5249.24
Other Expenses	33	21685.04	24998.73
<b>Total Expenses</b>		<b>109878.47</b>	<b>121666.75</b>
Profit before Exceptional Item and Tax		<b>10836.51</b>	<b>10833.49</b>
Exceptional Item (gain)/Loss		1240.17	-
Profit before Tax		<b>9596.34</b>	<b>10833.49</b>
Tax Expense			
Current Tax		2698.65	2850.29
Income tax for earlier years		(308.16)	(140.35)
Deferred Tax		(162.60)	(543.76)
		2227.89	2166.18
<b>Profit for the Year</b>		<b>7368.45</b>	<b>8667.31</b>
Profit or loss, attributable to Non Controlling Interests		(7.51)	0.54
Profit or loss, attributable to Owners		<b>7375.96</b>	<b>8666.76</b>
Other Comprehensive Income			
Items that will be reclassified to profit or loss:			
Exchange rate difference on Consolidation		(189.41)	377.33
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss) on defined benefit plans		125.21	(169.43)
Income tax relating to items that will not be reclassified to profit or loss		(31.51)	42.64
Other Comprehensive Income, net of tax		<b>(95.71)</b>	<b>250.54</b>
Total Comprehensive Income for the year, net of Tax		<b>7272.74</b>	<b>8917.85</b>
Comprehensive Income, attributable to Non Controlling Interest		(7.51)	0.13
Comprehensive Income, attributable to Owners		<b>7280.25</b>	<b>8917.18</b>
<b>Earnings per Equity Share Face Value ₹5 Each</b>			
Basic and Diluted	35	<b>30.56</b>	<b>35.91</b>
Significant Accounting Policies			
See Accompanying Notes on Financial Statements	1 to 46		

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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Consolidated Cash Flow Statement for the period ended 31 March,2021

₹ in lakh

	Year Ended 31 March, 2021	Year Ended 31 March, 2020
<b>A. Cash flows from operating activities</b>		
Profit before Exceptional Item and Tax	10836.51	10833.49
Adjustments for:		
Exceptional Item (Refer Note No 45 )	(1240.17)	-
Depreciation and Amortisation Expense	5556.26	5249.24
Finance Costs	1692.36	2183.67
Liabilities no longer required written back	84.86	57.11
Loss on Sale / Discard of Fixed Assets	35.13	79.34
Effect of Exchange Rate Changes	(189.41)	264.53
Unrealised Foreign Exchange Fluctuations	14.58	185.97
Provision against Current Assets	17.86	-
Dividend Received	(27.58)	-
Short Term Gain On Mutual Funds	(27.01)	-
Bad Debt/Provision for Doubtful Debts	1.32	7.32
Interest Income	(132.93)	(91.89)
Re-measurement gain/(loss) on defined benefit plans	125.21	(169.43)
	<b>5910.48</b>	<b>7765.86</b>
<b>Operating cash flows before working capital changes</b>	<b>16746.99</b>	<b>18599.35</b>
Working capital adjustments:		
(Increase) / Decrease in Trade and Other Receivables	2913.96	(1410.24)
(Increase) / Decrease in Inventories	(708.19)	(6348.32)
(Decrease) / Increase in Trade Payables	4969.39	1768.06
	<b>7175.16</b>	<b>(5990.50)</b>
Cash Generated from Operations	23922.15	12608.85
Income Tax Paid (Net)	(2618.48)	(2982.52)
<b>Net cash from operating activities</b>	<b>21303.67</b>	<b>9626.33</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of Fixed Assets	(4991.38)	(5512.48)
Dividend Received	27.58	-
Short Term Gain On Mutual Funds	27.01	-
Sale of Fixed Assets	26.60	40.78
Investment	(10639.72)	-
Interest Received	132.93	91.89
<b>Net Cash used in Investing Activities</b>	<b>(15416.98)</b>	<b>(5379.81)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Long Term Borrowings	3732.74	5393.33
Short Term Borrowings (Net)	(3308.15)	1769.73
Deferred Payment Liabilities (Net)		
Lease Liability (Net)	(817.57)	(758.02)
Repayment of Long Term Borrowings	(5000.00)	(4717.61)
Interest Paid	(1693.99)	(2201.32)
Dividend & Corporate Dividend Tax Paid	-	(1691.88)
<b>Net Cash used in Financing Activities</b>	<b>(7086.97)</b>	<b>(2205.76)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1200.28)</b>	<b>2040.76</b>
<b>Add : Balance at the beginning of the year</b>	<b>3063.77</b>	<b>1023.01</b>
<b>Cash / Cash Equivalents at the close of the Year</b>	<b>1863.49</b>	<b>3063.77</b>

## Consolidated Cash Flow Statement for the period ended 31 March,2021

₹ in lakh

### Non Cash Changes in Liabilities arising from financing activities

Particulars	As at 31 March , 2019	Cash Flows	Non Cash Change	As at 31 March , 2020
Long Term Borrowings	11074.28	675.72	-	11750.00
Short Term Borrowings	15896.59	1375.80	-	17272.39

₹ in lakh

Particulars	As at 31 March , 2020	Cash Flows	Non Cash Change	As at 31 March , 2021
Long Term Borrowings	11750.00	(1261.28)	-	10488.72
Short Term Borrowings	17272.39	(3307.55)	-	13964.84

### 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 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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholetime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Consolidated Statement of Changes in Equity

for the year ended 31 March,2021

### A) Equity Share Capital

Particulars	Note	Amount
Balance as at 1 April 2019	13	1206.82
Issue of equity share capital during the year		-
Balance as at 31 March 2020		1206.82
Issue of equity share capital during the year		-
<b>Balance as at 31 March 2021</b>		<b>1206.82</b>

### B) Other Equity

₹ in lakh

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 2019	14	15020.44	2000.00	24538.04	75.90	41634.39
<b>Total comprehensive income for the year ended 31 March 2020</b>						
Profit or loss		-	-	8666.76	-	8666.76
Net Profit for Current Year Attributable to NCI		-	-	0.54	-	0.54
Transfer to Reserve		-	500.00	(500.00)	-	-
Dividend on Equity Shares		-	-	(1689.55)	-	(1689.55)
Tax on Dividend Distribution		-	-	(2.33)	-	(2.33)
OCI Attributable to Minority		-	-	-	0.13	0.13
Other comprehensive income (net of tax)		-	-	-	250.41	250.41
<b>Total comprehensive income</b>		-	500.00	6475.42	250.54	7225.97
<b>Balance as at 31 March 2020</b>		15020.44	2500.00	31013.47	326.45	48860.36
<b>Balance as at 1 April 2020</b>		<b>15020.44</b>	<b>2500.00</b>	<b>31013.47</b>	<b>326.45</b>	<b>48860.36</b>
<b>Total comprehensive income for the year ended 31 March 2021</b>						
Profit or loss		-	-	7375.96	-	7375.96
Transfer to Reserve		-	500.00	(500.00)	-	-
Other comprehensive income (net of tax)		-	-	-	(95.71)	(95.71)
<b>Total comprehensive income</b>		-	500.00	6875.96	(95.71)	7280.25
<b>Balance as at 31 March 2021</b>		<b>15020.44</b>	<b>3000.00</b>	<b>37889.43</b>	<b>230.74</b>	<b>56140.61</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: L21016AS2013PLC011624

**Saurabh Mittal**  
 Managing Director & CEO  
 (DIN : 00273917)

**Parul Mittal**  
 Wholtime Director  
 (DIN : 00348783)

**(Naveen Aggarwal)**  
 Partner  
 Membership No. 094380  
 Place of Signature : New Delhi  
 Dated : 27th May, 2021

**Ashok Kumar Sharma**  
 Chief Financial Officer

**Prakash Kumar Biswal**  
 Company Secretary & VP - Legal

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March,2021

### Note 1: Company Overview, Basis Of Preparation And Significant Accounting Policies

#### I 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 Makum Road, Tinsukia, Assam - 786 125, India.

Holding Company is engaged in the business of manufacturing laminates, decorative veneers, Engineered Wood Flooring, Engineered Door Sets & Door Leaf and allied products through its factories at Behror and Nalagarh and branches and dealers' network spread all over the country. It has three wholly owned subsidiary companies Greenlam Asia Pacific Pte Ltd, Greenlam America Inc and Greenlam South Ltd. It imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. The overseas subsidiaries of the Holding Company are mainly engaged in marketing and distribution of the Holding 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, 2021 are authorized for issue in accordance with a resolution of the Directors on 27th May, 2021

##### 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 Poland LLC, Poland, Greenlam America Inc., Florida (U.S.A) and Greenlam South Ltd continued to be the wholly-owned subsidiaries of the Holding Company, 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 Poland LLC, PT. Greenlam Asia Pacific. and PT Greenlam Indo Pacific is 2.5%, 1%, 1%, 1%, 1% and 33% respectively. The Holding Company and its subsidiaries are together herein referred as "the Group" The Holding Company is also having 1% holding in Greenlam Russ LLC & Greenlam Poland LLC.

##### b. Basis Of Consolidation:

The Consolidated Financial Statements comprise the financial statements of the Group as at 31 March 2021. 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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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 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 (₹) 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 lacs, 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

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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.

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 their 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 their 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

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March,2021

### Relating to Greenlam America Inc.

Depreciation on fixed assets is provided for on Straight Line Method .

### PT. Greenlam Asia 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 their depreciable amounts over the estimated useful lives 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.

## Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March,2021

### 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 allowance at the reporting date to the amount that is required to be recognised is 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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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.

### 1.04 Inventories:

1.04.01 The cost of inventories has 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.

Goods-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

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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.

### 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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

### 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 are 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.

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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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, Merchandise Export Incentives Scheme (MEIS), are 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 and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, MEIS and/or the same are 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.

### 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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

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.

### 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.

## Significant Accounting Policies For Consolidated Financial Statement for the year ended 31 March,2021

### 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.

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

# Significant Accounting Policies For Consolidated Financial Statement

for the year ended 31 March,2021

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 are 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 Consolidated Financial Statement for the year ended 31 March,2021

### 1. Property, Plant And Equipments

Particulars	Gross Block						Depreciation						Net Block	
	As At 01/04/2019	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 01/04/2020	Total As At 31/03/2021	Upto 01/04/2019	For The Year	Currency Translation Adjustment	Adjustment For Deductions	Total As At 01/04/2020	Total As At 31/03/2021	As At 31/03/2021	As At 31/03/2020
Property, Plant and Equipment														
Freehold Land	1094.20	-	-	-	1094.20	1094.20	-	-	-	-	-	-	1094.20	1094.20
Land Development	603.11	-	-	-	603.11	603.11	19.13	9.37	-	28.51	4.11	32.62	570.49	574.60
Right to use Factory Land	-	1575.72	-	-	1575.72	1575.72	-	21.59	-	21.59	21.97	43.56	1532.16	1554.13
Right to use (Other than Land)	-	7375.77	-	-	7375.77	7575.99	-	1145.45	17.05	1162.50	1157.35	2128.28	5447.71	6213.27
Buildings	1511.443	60.26	132.74	89.42	15218.01	15548.72	3920.61	551.50	87.46	4536.72	521.37	5021.90	10526.82	10681.29
Plant and Equipments	38401.30	2592.48	7.61	163.86	40837.53	43072.95	20539.19	2675.55	7.55	23100.86	2937.18	25584.15	17488.80	17736.67
Furniture and Fixtures	1972.78	2282.49	36.25	401.32	3890.20	3915.47	1161.86	275.99	32.81	1125.64	333.35	1435.78	2479.69	2764.56
Vehicles	1168.06	32.17	9.97	22.88	1187.32	1159.54	518.57	123.15	10.15	632.53	105.16	719.67	439.87	554.79
Heavy Vehicles	14.31	-	-	-	14.31	22.77	12.76	0.16	-	12.92	0.41	10.43	12.34	1.39
Office Equipments	1652.26	462.46	37.24	37.26	2114.70	2177.96	1,266.10	228.65	35.27	1444.05	260.05	1563.01	614.95	670.65
<b>Total</b>	<b>60020.45</b>	<b>14381.35</b>	<b>223.81</b>	<b>714.74</b>	<b>73910.87</b>	<b>76746.43</b>	<b>27438.22</b>	<b>5031.41</b>	<b>190.29</b>	<b>32065.32</b>	<b>5340.96</b>	<b>36539.42</b>	<b>40207.03</b>	<b>41845.55</b>

### 2. Capital Work In Progress

Particulars	Gross Block						Depreciation						Net Block	
	As At 01/04/2019	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 01/04/2020	Total As At 31/03/2021	Upto 01/04/2019	For The Year	Currency Translation Adjustment	Adjustment For Deductions	Total As At 01/04/2020	Total As At 31/03/2021	As At 31/03/2021	As At 31/03/2020
Capital Work In Progress														
	1898.76	1493.40	-	1898.76	1493.40	1746.17	-	-	-	-	-	-	1746.17	1493.40

# Notes to Consolidated Financial Statement for the year ended 31 March,2021

## 2. Capital Work In Progress (contd) 2a Intangible Assets under Development

Particulars	Gross Block					Depreciation					Net Block		
	As At 01/04/2019	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 01/04/2020	Adjustment For Deductions	Currency Translation Adjustment	For The Year	Total As At 01/04/2020	Adjustment For Deductions	Total As At 31/03/2021	As At 31/03/2021	As At 31/03/2020
Intangible Assets Under Development	273.10	176.72	-	273.10	176.72	61.04	-	-	176.72	-	71.54	71.54	176.72
<b>Total</b>													

## 3 Other Intangible Assets

Particulars	Gross Block					Depreciation					Net Block		
	As At 01/04/2019	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 01/04/2020	Adjustment For Deductions	Currency Translation Adjustment	For The Year	Total As At 01/04/2020	Adjustment For Deductions	Total As At 31/03/2021	As At 31/03/2021	As At 31/03/2020
Intangible Assets	683.04	256.09	62.14	-	1001.27	-	59.83	-	680.31	-	657.94	311.03	320.96
Goodwill	68.58	-	-	-	68.58	-	-	-	68.58	-	68.58	-	-
Trademarks	817.48	536.15	-	-	1353.63	301.28	-	207.59	656.32	206.72	863.04	791.88	697.31
Computer Software	334.91	-	-	-	334.91	-	-	10.23	326.34	8.57	334.91	-	8.57
Technical Knowhow													
<b>Total</b>	<b>1904.01</b>	<b>792.24</b>	<b>62.14</b>	<b>-</b>	<b>2758.40</b>	<b>301.28</b>	<b>59.83</b>	<b>217.82</b>	<b>1731.55</b>	<b>215.29</b>	<b>1924.47</b>	<b>1102.91</b>	<b>1026.84</b>

1.1 Title deed of One Office Premises of Gross Block ₹286,98 lacs and Net block of ₹212.15 lacs (Previous Year ₹216.64 lacs) is yet to be transferred in the name of the company

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 4. Non-Current Investments

₹ in lakh

	31 March,2021	31 March, 2020
<b>Investments in Equity Instruments (at Cost)</b>		
<b>Non-Trade</b>		
<b>Unquoted , Fully Paid up</b>		
Other than Subsidiary	1.25	1.25
<b>Total</b>	<b>1.25</b>	<b>1.25</b>
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

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated Net Assets	₹ in lakh	As % of consolidated Profit or Loss	₹ in lakh
Parent - Greenlam Industries Limited	97.99	55840.12	85.80	6684.87
Subsidiary (Foreign)				
Greenlam Asia Pacific, Singapore	(0.04)	263.22	9.95	236.47
Greenlam America Inc., USA	2.22	1342.33	5.27	458.05
Subsidiary (Domestic)				
Greenlam South Ltd	(0.18)	(98.21)	(1.01)	(3.56)
<b>Total</b>	<b>100.00</b>	<b>57347.43</b>	<b>100.00</b>	<b>7375.96</b>
Non Controlling Interest in Greenlam Asia Pacific	0.08%	46.44	(0.10)%	(7.51)

#### 4a. Current Investments

₹ in lakh

	Unit	31 March,2021	Unit	31 March,2020
<b>Investment in Quoted Mutual Funds measured at FVTPL</b>				
ICICI Prudential Overnight Fund- Direct Growth Plan	140210.34	155.61	-	-
ICICI Prudential Liquid Fund- Direct Growth Plan	461201.71	1405.45	-	-
Aditya Birla SL Savings Fund - Growth Regular Plan	37123.92	156.93	-	-
HDFC Ultra Short Term Fund - Regular Growth Plan	10554675.98	1250.33	-	-
Axis Overnight Fund - Direct Growth Plan	6568.72	150.08	-	-
Axis Liquid Fund - Direct Growth Plan	156442.60	2502.45	-	-
<b>Unquoted Investments</b>				
Deposit with NBFC-HDFC LTD.		5018.87	-	-
		<b>10639.72</b>		
Aggregate Book Value of Unquoted Investments		<b>5018.87</b>		
Aggregate Market Value of Quoted Investments		<b>5620.85</b>		

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 5. Long Term Loans & Advances

(Unsecured, considered good)

	₹ in lakh	
	31 March,2021	31 March, 2020
Security Deposits	293.23	582.75
Loan to Subsidiary ( net)	-	-
<b>Total</b>	<b>293.23</b>	<b>582.75</b>

### 6. Other Non-Current Assets

	₹ in lakh	
	31 March,2021	31 March, 2020
Capital Advances	860.84	156.80
Prepaid Interest on Security Deposits	23.37	25.70
Advance for Land	4506.05	4504.68
Others	101.15	152.07
<b>Total</b>	<b>5491.41</b>	<b>4839.25</b>

### 7. Inventories

(at lower of cost or net realisable value)

	₹ in lakh	
	31 March,2021	31 March, 2020
Raw Materials	18437.59	18321.96
[including transit and at Customs Warehouse ₹3212.14 lacs (Previous year ₹591.12 lacs)]		
Stock in Process	5507.33	6362.21
Finished Goods*	12116.23	10926.16
[including in Transit ₹3284.02 lacs (Previous year ₹1403.77 lacs)]		
Stock In Trade	108.43	100.27
Stores & Spares	1641.80	1392.59
<b>Total</b>	<b>37811.38</b>	<b>37103.19</b>

### 8. Trade Receivables

	₹ in lakh	
	31 March,2021	31 March, 2020
Secured, considered good	130.31	301.36
Unsecured, considered good	13380.78	13478.32
Credit Impaired	103.64	102.32
	<b>13614.73</b>	<b>13882.00</b>
Less : Provision for Doubtful Trade Receivables		
Credit Impaired	103.64	102.32
<b>Net Trade Receivables</b>	<b>13511.09</b>	<b>13779.68</b>
<b>Of the above, Trade Receivable from Related parties</b>		
Trade Receivable from related parties	<b>25.45</b>	<b>29.12</b>

#### 8a. Trade Receivables (Non -Current)

	₹ in lakh	
	31 March,2021	31 March, 2020
Unsecured, considered good	78.21	58.14
<b>Total</b>	<b>78.21</b>	<b>58.14</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 9a. Cash & Cash Equivalents

	₹ in lakh	
	31 March,2021	31 March, 2020
Balances with Banks - on Current Accounts	1093.58	3028.01
Bank Deposits (Maturity within 3 months)	500.03	22.28
Cash on Hand	23.13	13.37
Remittance in Transit	246.75	0.11
<b>(A)</b>	<b>1863.49</b>	<b>3063.77</b>

### 9b. Other Bank Balances

	₹ in lakh	
	31 March,2021	31 March, 2020
Earmarked balance with Banks for Unpaid Dividend Accounts	3.33	7.13
Margin Money	5.73	3.24
<b>(B)</b>	<b>9.06</b>	<b>10.37</b>
<b>Total (A+B)</b>	<b>1872.55</b>	<b>3074.14</b>

### 10. Loans - Current Financial Assets

(Unsecured, considered good)

	₹ in lakh	
	31 March,2021	31 March, 2020
Advance to Employees		
Unsecured, considered good	57.50	89.90
<b>Total</b>	<b>57.50</b>	<b>89.90</b>

### 10a. Other Current Financial Assets

	₹ in lakh	
	31 March,2021	31 March, 2020
Derivative Instruments-Mark to Market valuation	14.49	129.70
<b>Total</b>	<b>14.49</b>	<b>129.70</b>

### 11 Current Tax Assets ( Net)

	₹ in lakh	
	31 March,2021	31 March, 2020
Advance Payment of Income Tax (Less Provision)	206.06	351.54
<b>Total</b>	<b>206.06</b>	<b>351.54</b>

### 12 Other Current Assets

(Unsecured, considered good)

	₹ in lakh	
	31 March,2021	31 March, 2020
Advance against Purchases	1045.53	1509.49
Balance with Government Authorities	889.74	647.66
Insurance Claim Receivable*	85.68	137.47
Goods and Service Tax Refund Receivable**	124.28	124.28
Advance Payment of Sales Tax/GST	34.21	684.39
Export Incentive Receivable	1187.89	1486.46
Budgetary Support Under GST Regime Receivable	-	459.93
Prepaid Expenses	691.75	775.01
<b>Total</b>	<b>4059.08</b>	<b>5824.69</b>

\*Amount Netted of Provision of ₹17.86 lakh

\*\* includes interest paid on IGST of ₹109.80 lakh on imports made under advance authorization scheme after intimation by Department. Later on Hon'ble Gujrat High court has set aside the order in some 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 Consolidated Financial Statement

for the year ended 31 March,2021

### 13. Share Capital

₹ in lakh

	Number	31 March,2021	Number	31 March,2020
<b>13.1 Authorised</b>				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
<b>13.2 Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
<b>13.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	-	-	-	-
<b>Total</b>	<b>24136374</b>	<b>1206.82</b>	<b>24136374</b>	<b>1206.82</b>

#### 13.4 Terms/Rights attached to the Equity Shares

The Company has a single class of Equity Shares having a par value of ₹5 per share. 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 ₹ Nil (Previous year ₹3.00). And this year interim dividend distributed ₹ Nil per share (Previous year ₹4.00)

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.

#### 13.5 Name of the Shareholders holding more than 5% Shares

	31 March,2021		31 March,2020	
	Number	%	Number	%
<b>EQUITY SHARES</b>				
Greenply Leasing & Finance Pvt Ltd	9063511	37.55%	9003511	37.30%
Saurabh Mittal	3146534	13.04%	3206534	13.29%
Westbridge Crossover Fund LLC	-	-	1901342	7.88%
HDFC Trustee Company Ltd	2174376	9.01%	2174376	9.01%
Ashish Dhawan	1362842	5.65%	1362842	5.65%
Blue Diamond Properties Private Limited	1745970	7.23%	-	-

**13.6** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

### 14. Other Equity

₹ in lakh

	31 March,2021	31 March, 2020
<b>Capital Reserve</b>		
At the commencement of the year	15020.44	15020.44
	<b>15020.44</b>	<b>15020.44</b>
General Reserve		
Balance as per last Financial Statements	2500.00	2000.00
Add: Transferred from Statement of Profit and Loss	500.00	500.00
	<b>3000.00</b>	<b>2500.00</b>
Retained Earnings		
Retained Earnings other than OCI		
At the commencement of the year	31013.47	24538.04
Add : Net profit for the current year	7375.96	8666.76
Add : Net Profit for Current Year Attributable to NCI	-	0.54

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 14. Other Equity (contd)

₹ in lakh

	31 March,2021	31 March, 2020
Less : Transferred to General Reserve	500.00	500.00
Less : Dividend on Equity Shares & DDT	-	1691.88
<b>Total</b>	<b>37889.43</b>	<b>31013.47</b>
<b>Other Comprehensive Income (OCI)</b>		
At the commencement of the year	326.45	75.90
Exchange Differences in translating financial statements of foreign operations	(189.41)	377.20
Remeasurements of the net defined benefit plans	93.70	(126.79)
OCI Attributable to Minority	-	0.13
	<b>230.74</b>	<b>326.45</b>
	<b>56140.61</b>	<b>48860.36</b>

### 15. Borrowings (Non Current)

₹ in lakh

	31 March,2021	31 March, 2020
<b>Secured</b>		
Term Loans From Banks		
Foreign Currency Loans**	387.45	393.33
Rupee Loans	10488.62	11750.00
	<b>10876.07</b>	<b>12143.33</b>
Less : Current maturities of Long Term Borrowings*	2497.47	3550.00
	<b>8378.60</b>	<b>8593.33</b>

**15.1** Term Loans of ₹10488.62 lacs availed by the Holding Company (Previous year ₹11750.00). Term Loans of ₹10488.62 lacs 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, nominal interest and not repayable until the end of 5 years from the date of loan received.

#### 15.2 Terms of Repayment

	Repayment Schedule				
	2021-2022	2022-23	2023-2024	2024-2025	2025-2026
Term Loans from Banks					
Secured					
Equal Quarterly Installments	1000.00	1000.00	1000.00	750.00	-
Equal Quarterly Installments	1497.47	1497.47	1497.47	1497.47	748.74
	<b>2497.47</b>	<b>2497.47</b>	<b>2497.47</b>	<b>2247.47</b>	<b>748.74</b>

**15.3** The Company has not defaulted in repayment of loans and interest during the period.

### 16. Other Financial Liabilities - Non Current

₹ in lakh

	31 March,2021	31 March, 2020
<b>Others</b>		
Security Deposits from Customers	167.01	170.40
Liability for Right to Use	4595.37	5109.08
<b>Total</b>	<b>4762.38</b>	<b>5279.48</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 17. Provisions - Non Current

₹ in lakh

	31 March,2021	31 March, 2020
Provisions for Employee Benefits		
Net defined benefit liability- Gratuity (Refer Note No 30.1.iii)	342.27	1562.42
Liability for compensated absences (Refer Note No 30.1.iv)	623.94	581.84
<b>Total</b>	<b>966.21</b>	<b>2144.26</b>

### 18. Deferred Tax Liabilities (Net)

₹ in lakh

	31 March,2021	31 March, 2020
<b>A Deferred Tax Liabilities</b>		
Property, Plant & Equipment	1864.14	1985.18
Others	42.26	462.72
	<b>1906.40</b>	<b>2447.90</b>
<b>B Deferred Tax Assets</b>		
Provision for Gratuity/Liabilities	641.13	1034.67

### 19. Borrowings - Current

₹ in lakh

	31 March,2021	31 March, 2020
<b>Secured</b>		
Loans Repayable on Demand		
Working Capital Loans		
From Banks		
Foreign Currency Loans	2214.84	3972.99
Rupee Loans	11750.00	11500.00
	<b>13964.84</b>	<b>15472.99</b>
<b>Unsecured</b>		
Other Loans and advances		
From Banks	-	1500.00
Channel Finance Assurance Facility	-	300.00
	-	<b>1800.00</b>
<b>Total</b>	<b>13964.84</b>	<b>17272.99</b>

**19.1** Working Capital Rupee Loans availed by Holding Co. of ₹11750 lacs (Previous Year ₹11500) 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 ₹2214.84 lacs availed by Subsidiaries companies, Out of which ₹1207.71 lakh availed by Greenlam Asia Pacific Pte Ltd, ₹1007.13 lakh availed by Greenlam Europe UK Ltd and ₹ Nil availed by Greenlam America Inc.

Working Capital Loans of ₹1207.71 lacs 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 50 lacs)

Working Capital Loans of ₹1007.13 lacs of Greenlam Europe UK Ltd., are secured against Corporate Guarantee given by Holding Company ( GBP 10 lac).

**19.2** The Group has not defaulted in repayment of loans and interest during the period.

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 20. Trade Payables

₹ in lakh

	31 March,2021	31 March, 2020
Dues to Micro and Small Enterprises		
(to the extent identified with the available information)(Refer Note 41)	900.03	325.77
Dues to Other than Micro and Small Enterprises	21376.00	16435.28
<b>Total</b>	<b>22276.03</b>	<b>16761.05</b>

### 21. Other Financial Liabilities - (Current)

₹ in lakh

	31 March,2021	31 March, 2020
Current maturities of Long Term Borrowings*	2497.47	3550.00
Unpaid Dividend	3.33	7.13
Interest Accrued but not due on borrowings	0.63	2.26
GST Payable	73.81	103.19
Others	0.04	0.03
Unspent Corporate Social Responsibility Payable	45.76	-
Liability for Right to Use	1277.47	1232.09
Employee Payable	1434.90	1194.53
<b>Total</b>	<b>5333.41</b>	<b>6089.23</b>

\* The terms are stated in notes nos. 15.1 to 15.3

**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 lakh

	31 March,2021	31 March, 2020
Advance from Customers	780.56	878.53
Statutory Dues	1630.03	1025.66
Provision for Cash Discount	73.74	-
Amount due to Capital Goods Vendors	156.29	584.48
<b>Total</b>	<b>2640.62</b>	<b>2488.67</b>

### 23. Provisions - (Current)

₹ in lakh

	31 March,2021	31 March, 2020
Provisions for Employee Benefits		
Net defined benefit liability- Gratuity (Refer Note 30.1.iii)	77.44	106.65
Liability for compensated absences (Refer Note 30.1.iv)	83.00	62.52
<b>Total</b>	<b>160.44</b>	<b>169.17</b>

### 24. Current Tax Liabilities (Net)

₹ in lakh

	31 March,2021	31 March, 2020
Provision for Taxation	21.95	87.26
<b>Total</b>	<b>21.95</b>	<b>87.26</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 25 Revenue From Operations

₹ in lakh

	31 March,2021	31 March, 2020
Sale of Products	116917.76	126503.26
<b>Other Operating Revenue</b>		
Export Incentive*	2520.98	3797.76
Budgetary Support Under GST Regime	-	136.57
Miscellaneous Income	520.32	1620.91
<b>Total</b>	<b>3041.30</b>	<b>5555.24</b>
	<b>119959.05</b>	<b>132058.50</b>

\*The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced erstwhile scheme of export benefits of MEIS w.e.f. January 01, 2021.As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021

#### 25.1 Particulars of Sales of Products

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Decorative Laminates	102160.50	104981.21
[including exports ₹57715.28 lacs (Previous year ₹54717.10 lacs)]		
Decorative Veneers	7777.52	11114.33
[including exports ₹138.94 lacs (Previous year ₹108.10lacs)]		
Engineered Wood Flooring	3002.84	4710.34
[including exports ₹1138.26 lacs (Previous year ₹1372.76 lacs)]		
Melamine Faced Chipboards	877.00	1841.13
Engineered Door Sets & Door Leaf	2346.54	3269.83
[including exports ₹828.70 lacs (Previous year ₹580.00 lacs)]		
Others	753.35	586.42
[including exports ₹27.88 (Previous year ₹NIL lacs)]		
<b>Total</b>	<b>116917.76</b>	<b>126503.26</b>

### 26. Other Income

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Interest Income	132.93	91.89
Liabilities no longer required written back	84.86	57.11
Other Income	483.54	56.95
Gain due to Fluctuation in Foreign Exchange Rates	-	235.79
Profit on Sale of Mutual Fund*	27.01	-
Dividend Received - Mutual Fund**	27.58	-
<b>Total</b>	<b>755.92</b>	<b>441.74</b>

\*includes unrealized gain of ₹1.19 lakh

\*\*includes unrealized gain of ₹6.06 lakh

### 27. Cost Of Materials Consumed

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Inventory of raw material at the beginning of the year	18321.96	17004.37
Add: Purchase	59093.91	69761.90
Less: Inventory of raw material at the end of year	18437.59	18321.96
<b>Total</b>	<b>58978.28</b>	<b>68444.31</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 28. Purchase Of Stock In Trade

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Purchase of Traded Goods	1668.88	2151.71

### 29. Changes In Inventories of Finished Goods, Stock in Process and Stock in Trade

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>OPENING STOCK</b>		
Finished Goods	10926.00	7632.64
Stock in Trade	100.27	192.10
Goods-in-Process	6362.21	4753.23
	<b>17388.48</b>	<b>12577.97</b>
<b>CLOSING STOCK</b>		
Finished Goods	12116.23	10926.16
Stock in Trade	108.43	100.27
Goods-in-Process	5507.33	6,362.21
	<b>17731.99</b>	<b>17388.64</b>
Opening Inventory of Newly acquired Company Greenlam Decolan SA	-	(1142.59)
Effect of foreign exchange fluctuations	143.92	(111.59)
<b>Total</b>	<b>(487.43)</b>	<b>(3556.49)</b>

### 30. Employees Benefits Expense

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Salary, Wages and Bonus	19479.75	20804.14
Contribution to Provident Fund & Employees' State Insurance	871.67	882.99
Employees' Welfare Expenses	433.66	508.45
<b>Total</b>	<b>20785.08</b>	<b>22195.58</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.

#### iii) Actuarial Valuation of Gratuity Liability :

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>a) Defined Benefit Cost</b>		
Current Service Cost	195.20	200.48
Interest Expense on Defined Benefit Obligation (DBO)	113.50	95.79
Defined Benefit Cost included in Profit and Loss	<b>308.70</b>	<b>296.27</b>
Remeasurements - Due to Financial Assumptions	2.03	155.51
Remeasurements - Due to Experience Adjustments	(114.62)	14.59

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 30. Employees Benefits Expense (contd)

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Defined Benefit Cost included in Other Comprehensive Income	(112.59)	170.10
Total Defined Benefit Cost in Profit and Loss and OCI	<b>196.11</b>	<b>466.37</b>
<b>b) Movement in Defined benefit liability:</b>		
Opening Defined Benefit Obligation	1669.07	1252.14
Interest Expense on Defined Benefit Obligation (DBO)	113.50	95.79
Current Service Cost	195.20	200.48
Total Remeasurements included in OCI	(125.21)	169.43
Less: Contribution paid to Fund	(1330.00)	-
Less: Benefits paid	(102.85)	(48.77)
Closing benefit obligation	<b>419.70</b>	<b>1669.07</b>
Current Liabilities of Closing benefit obligation	77.44	106.65
Non-Current Liabilities of Closing benefit obligation	342.26	1562.42
	<b>419.70</b>	<b>1669.07</b>
<b>c) Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the period	-	-
Actual return on plan assets	12.65	-
Fund Charges	(0.03)	-
Employer contribution	1330.00	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	<b>1342.62</b>	-
<b>d) Sensitivity Analysis:</b>		
Under Base Scenario		
Salary Escalation - Increase by 0.50%	107.56	104.56
Salary Escalation - Decrease by 0.50%	(99.64)	(96.65)
Discount Rates - Increase by 0.50%	(98.04)	(95.09)
Discount Rates - Decrease by 0.50%	106.73	103.74
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	0.07	6.80%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	0.06	5.50%
Withdrawal rates:		
Up to 30 Years	0.03	3.00%
From 31 to 44 years	0.02	2.00%
Above 44 years	0.01	1.00%

#### 30.1 Disclosures Regarding Employee Benefits

##### (iv) Actuarial Valuation of Leave Encashment Liability :

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Defined Benefit Cost</b>		
Current Service Cost	111.49	122.66
Interest Expense on Defined Benefit Obligation (DBO)	43.82	44.10
Defined Benefit Cost included in Profit and Loss	<b>155.31</b>	<b>166.76</b>
Remeasurements - Due to Financial Assumptions	0.86	62.11
Remeasurements - Due to Experience Adjustments	95.97	63.92
Defined Benefit Cost included in Other Comprehensive Income	<b>96.83</b>	<b>126.03</b>
Total Defined Benefit Cost in Profit and Loss and OCI	<b>252.14</b>	<b>292.79</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 30. Employees Benefits Expense (contd)

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Movement in Defined benefit liability:</b>		
Opening Defined Benefit Obligation	644.36	576.42
Interest Expense on Defined Benefit Obligation (DBO)	43.82	44.10
Current Service Cost	111.49	122.66
Total Remeasurements included in OCI	96.82	125.77
Less: Benefits paid	(189.55)	(224.59)
Closing benefit obligation	<b>706.94</b>	<b>644.36</b>
Current Liabilities of Closing benefit obligation	83.00	62.52
Non-Current Liabilities of Closing benefit obligation	623.94	581.84
	<b>706.94</b>	<b>644.36</b>
Sensitivity Analysis:		
<b>Under Base Scenario</b>		
Salary Escalation - Increase by 0.50%	42.72	41.59
Salary Escalation - Decrease by 0.50%	(39.29)	(38.29)
Discount Rates - Increase by 0.50%	(38.66)	(37.67)
Discount Rates - Decrease by 0.50%	42.39	41.27
<b>Actuarial assumptions:</b>		
Mortality Table	IALM 2012-2014	IALM 2012-2014
Discount Rate (per annum)	6.79%	6.80%
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.i.v. Amount incurred as expense for defined contribution to Provident Fund is ₹587.62 lacs (Previous Year ₹634.21 lacs).

The foregoing information related to Parent Company.

### 31. Finance Costs

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Interest Expense	1237.23	1687.46
Interest Expense (Right to Use)	449.37	483.39
Other Borrowing Cost	5.77	12.82
<b>Total</b>	<b>1692.36</b>	<b>2183.67</b>

31.1 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹ Nil).

### 32. Depreciation & Amortisation Expense

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Depreciation of Property,Plant & Equipment	4161.65	3864.39
Depreciation (Right to Use)	1179.32	1167.03
Amortisation of Intangible Assets	215.29	217.82
<b>Total</b>	<b>5556.26</b>	<b>5249.24</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 33. Other Expenses

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
Consumption of stores and spares	978.94	988.27
Power & Fuel	3326.58	3376.93
Rent	144.70	216.05
Repairs to buildings	85.18	58.82
Repairs to machinery	505.94	611.37
Insurance	307.27	256.37
Rates and taxes	80.85	71.81
Travelling expenses	618.98	1871.24
Freight & delivery expenses	2530.60	2814.35
Export Expenses	4283.06	3484.24
Advertisement & Sales promotion	3811.63	6134.03
Auditors' Remuneration	83.46	75.93
Expenditure on CSR Activities	196.55	167.56
Bad Debts	6.86	7.32
Loss on Sale / Discard of Assets	35.13	79.34
Prior Period Expenses	-	2.65
Directors' Sitting Fees	23.20	21.50
Independent Directors' Commission	72.00	68.41
Loss due to Fluctuation in Foreign Exchange Rates	145.66	-
Other General Expenses	4448.45	4692.54
<b>Total</b>	<b>21685.04</b>	<b>24998.73</b>

#### 33.1 Auditors' Remuneration

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
As Auditors	82.22	74.70
For other services	1.24	1.23
<b>Total</b>	<b>83.46</b>	<b>75.93</b>

Note : Fees are exclusive of Goods & Services Tax

#### 33.2 Contribution For CSR Activities

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
(a) Gross Amount required to be spent by the Company during the year	196.55	167.52
(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	53.51	58.00
- Contribution towards Education of Orphan Girl Child	28.50	28.50
- Contribution towards Promotion of Education, Health and Livelihood	59.53	5.13
- Others	9.25	72.93
- Amount Provided for PM Cares Fund	-	3.00
(c) Unspent Amount Deposited into bank :	45.76	-
	<b>196.55</b>	<b>167.56</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 34. Taxation

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Tax Expense recognised in the Statement of Profit and Loss:</b>		
Current Tax Expense	2698.65	2850.29
Mat Credit Entitlement	-	-
<b>Income Tax Expense</b>	<b>2698.65</b>	<b>2850.29</b>
Earlier Years Tax Expense	(308.16)	(140.35)
<b>Income Tax Expense including Earlier year tax</b>	<b>2390.49</b>	<b>2709.94</b>
Release of Deferred Tax	(162.60)	(543.76)
<b>Total Tax Expense in Statement of Profit and Loss</b>	<b>2227.89</b>	<b>2166.18</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	9596.34	10833.49
Re-measurement gain/(loss) on defined benefit plans in OCI	125.21	(169.43)
Changes in Profit before tax due to Ind AS Transition	-	-
<b>Accounting Profit before Tax</b>	<b>9721.55</b>	<b>10664.06</b>
Applicable Income Tax rate	25.168%	25.168%
<b>Computed Tax expense</b>	<b>2446.72</b>	<b>2683.93</b>
Additional deductions for under Chapter VIA	(8.18)	(9.74)
Charity, Donation and CSR Expenses	49.47	43.64
Difference in Book Depreciation and Depreciation as per IT Act	373.02	299.90
Others	(98.28)	(865.95)
Effect of Differential Tax rate under various jurisdiction	(64.10)	385.01
Tax on Dividend Paid at Special Rate	-	313.50
Earlier Years Tax Expense	(308.16)	(140.35)
Deferred Tax	(162.60)	(543.76)
<b>Income Tax charged to Statement of Profit and Loss</b>	<b>2227.89</b>	<b>2166.18</b>

### 35. Earnings Per Share

₹ in lakh

	Year ended 31 March,2021	Year ended 31 March, 2020
<b>Calculation of weighted average number of equity shares of ₹5 each</b>		
No of Shares at the beginning of the year	24136374	24136374
Total number of equity shares outstanding at the end of the year	24136374	24136374
Weighted average number of equity shares outstanding during the year	24136374	24136374
Net Profit (after tax, available for equity shareholders)	7375.96	8666.76
<b>Basic Earnings Per Share ₹</b>	<b>30.56</b>	<b>35.91</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 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,2021

#### Information about Business Segments - Primary

₹ in lakh

Reportable Segment	Laminate & Allied Products		Veneer & Allied Products		Un Allocated		Total	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>REVENUE</b>								
External Sales	103859.19	107345.48	13058.57	19157.78	-	-	116917.76	126503.26
Inter-segment Sales	-	-	-	-	-	-	-	-
Gross Sales	103859.19	107345.48	13058.57	19157.78	-	-	116917.76	126503.26
Other Operating Income	2668.96	4878.42	372.34	676.82	-	-	3041.30	5555.24
<b>Revenue from Operation</b>	<b>106528.14</b>	<b>112223.90</b>	<b>13430.91</b>	<b>19834.60</b>	-	-	<b>119959.05</b>	<b>132058.50</b>
<b>RESULT</b>								
Segment Result	19457.17	18705.46	(784.63)	195.12	-	-	18672.54	18900.58
Unallocated Corporate Expenses					6276.60	5975.31	6276.60	5975.31
Operating Profit							12395.94	12925.27
Less : Interest Expense					1692.36	2,183.67	1692.36	2183.67
Add : Interest Income					132.93	91.89	132.93	91.89
<b>Profit before Exceptional Item and Tax</b>							<b>10836.51</b>	<b>10833.49</b>
Exceptional Item (gain)/ loss							1240.17	-
Current Tax							2390.49	2709.94
Deferred Tax							(162.60)	(543.76)
<b>Profit after Tax</b>							<b>7368.45</b>	<b>8667.31</b>
<b>Other Comprehensive Income</b>							<b>(95.71)</b>	<b>250.54</b>
<b>Total Comprehensive Income for the year, net of Tax</b>							<b>7272.74</b>	<b>8917.85</b>
<b>OTHER INFORMATION</b>								
Segment Assets	74576.77	65381.91	24000.50	26834.21	19227.49	19195.30	117804.75	111411.42
Segment Liability	25711.17	20041.67	2803.34	3031.99	5149.06	6395.47	33663.56	29469.13
Loan Fund					24840.91	29416.32	24840.91	29416.32
Deferred Tax Liabilities (Net)					1906.40	2447.90	1906.40	2447.90
Minority Interest					46.44	10.90	46.44	10.90
Shareholders' Funds					57347.43	50067.17	57347.43	50067.17
Total Liabilities							117804.75	111411.42

#### Secondary Segment - Geographical by location of customers

₹ in lakh

Reportable Segment	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Within India	57803.45	69725.30	111711.03	103322.91	4926.69	5210.22
Outside India	59114.31	56777.96	6093.73	8088.51	64.69	302.26
	116917.76	126503.26	117804.75	111411.42	4991.38	5512.48

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 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 with whom transactions have taken place during the year.

##### Key Managerial Personnel

- Mr. Shiv Prakash Mittal, Non Executive Chairman
- Mr. Saurabh Mittal, Managing Director & CEO
- Mrs. Parul Mittal, Whole-Time Director
- Mr. Vijay Kumar Chopra, Independent Director
- Ms. Matangi Gowrishanker, Independent Director (Appointed on 28th August, 2020)
- Ms. Sonali Bhagwati Dalal, Independent Director (Cessation 28th August, 2020)
- Mr. Sandip Das, Independent Director
- Mr. Ashok Kumar Sharma, Chief Financial Officer
- Mr. Prakash Kumar Biswal, Company Secretary

##### Enterprises Owned/Influenced by Key Managerial Personnel or their relatives

- Himalaya Granites Ltd.
- Greenply Industries Ltd.
- Greenpanel Industries Ltd.
- Seema Realcon Pvt Ltd ( Brother of Mrs. Parul Mittal is a Director in Seema Realcon Pvt Ltd.)
- Greenlam Employees Gratuity Trust

#### 37.2 Transactions During The Year:

₹ in lakh

Particulars	Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020
Sale of Products				
Greenply Industries Ltd.	-	-	79.42	38.99
Greenpanel Industries Ltd	-	-	199.66	97.06

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 37. Related Party Disclosures (contd)

₹ in lakh

Particulars	Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020
Seema Realcon Pvt Ltd	-	-	5360.90	4990.98
<b>Total</b>	-	-	<b>5639.98</b>	<b>5127.03</b>
<b>Purchase of Products</b>				
Greenpanel Industries Ltd	-	-	446.87	852.70
Seema Realcon Pvt Ltd	-	-	2.59	0.20
<b>Total</b>	-	-	<b>449.46</b>	<b>852.90</b>
<b>Commission (ORC Charges) and Reimbursement of Expenses</b>				
Seema Realcon Pvt Ltd	-	-	18.85	-
Greenlam Employees Gratuity Trust	-	-	0.32	-
	-	-	<b>19.17</b>	-
<b>Contribution to Gratuity Trust</b>				
Greenlam Employees Gratuity Trust	-	-	1330.00	-
	-	-	<b>1330.00</b>	-
<b>Rent Paid</b>				
Himalaya Granites Ltd.	-	-	59.16	58.11
Greenpanel Industries Ltd	-	-	0.60	0.60
<b>Total</b>	-	-	<b>59.76</b>	<b>58.71</b>
<b>Remuneration</b>				
Mr. Saurabh Mittal	409.86	519.48	-	-
Mrs. Parul Mittal	280.30	275.90	-	-
Mr Shiv Prakash Mittal	22.40	18.00	-	-
Mr. Vijay Kumar Chopra#	24.00	24.90	-	-
Ms. Sonali Bhagwati Dalal#	10.15	26.30	-	-
Mr. Sandip Das#	24.40	20.71	-	-
Ms. Matangi Gowrishanker#	14.25	-	-	-
Mr. Ashok Kumar Sharma	115.17	124.75	-	-
Mr. Prakash Kumar Biswal	45.37	51.32	-	-
	<b>945.90</b>	<b>1061.36</b>	-	-
<b>Amount outstanding as at Balance Sheet date</b>				
Trade Receivable				
Greenply Industries Ltd.	-	-	-	8.22
Greenpanel Industries Ltd	-	-	25.45	20.90
<b>Total</b>	-	-	<b>25.45</b>	<b>29.12</b>
<b>Trade Payable / Expense Payable</b>				
Greenpanel Industries Ltd	-	-	130.55	43.65
Seema Realcon Pvt Ltd	-	-	1.53	-
Greenlam Employees Gratuity Trust	-	-	0.32	-
<b>Total</b>	-	-	<b>132.40</b>	<b>43.65</b>
Advance from Customers				
Seema Realcon Pvt Ltd *	-	-	45.51	9.95
	-	-	<b>45.51</b>	<b>9.95</b>
Remuneration Payable				

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 37. Related Party Disclosures (contd)

₹ in lakh

Particulars	Key Managerial Personnel		Enterprises Owned/ Influenced by Key Managerial Personnel or their relatives	
	2020-21	2019-2020	2020-21	2019-2020
Mr. Saurabh Mittal	242.88	255.00	-	-
Mrs. Parul Mittal	192.85	141.50	-	-
Mr Shiv Prakash Mittal	18.00	18.00		
Mr. Vijay Kumar Chopra	18.00	18.00		
Ms. Sonali Bhagwati Dalal	7.35	18.00		
Mr. Sandip Das	18.00	18.00		
Ms. Matangi Gowrishanker	10.65	-		
Mr. Ashok Kumar Sharma	4.92	-		
Mr. Prakash Kumar Biswal	2.07	-		
<b>Total</b>	<b>514.72</b>	<b>468.50</b>	-	-

# Including sitting fees and commission

\* Amount due from Seema Realcon Pvt Ltd is exclusive of ₹ Nil (Previous Year ₹159.71 lacs), received through Channel Finance facility from a Bank.

#### 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. Contingent Liabilities and Commitments

(to the extent not provided for)

#### Contingent liabilities

(a) Claims against the company not acknowledge as debt:

₹ in lakh

	31 March,2021	31 March, 2020
(i) Excise duty, sales tax and other indirect taxes in dispute	37.68	109.23
(ii) Consumer court cases in dispute	8.64	17.39
(iii) Other Cases	29.13	15.00

(b) Others:

₹ in lakh

	31 March,2021	31 March, 2020
a. Letters of Credit established but Goods not received	6726.27	4330.20

#### Commitments

₹ in lakh

	31 March,2021	31 March, 2020
Estimated pending Capital contract ( Net of Advance)	989.54	2602.97
Uncalled liability on shares and other investments which are partly paid	-	-
Other commitments	-	-

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 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

#### 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 lakh

Particulars	Impact on profit & Loss 31 March,2021	Impact on profit & Loss 31 March, 2020
Interest Rate Increase by 50 basis point	(124.20)	(143.61)
Interest Rate decrease by 50 basis point	124.20	143.61

#### 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:

₹ in lakh

Particulars	31 March,2021	31 March,2020
Purchase (Hedging of Trade Payables)	1327.99	3883.43

#### Unhedged Foreign Currency Exposures:

₹ in lakh

Particulars	31 March,2021	31 March,2020
Trade Payables	7164.59	4429.11
Trade Receivables	5912.58	6326.12

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 39 Financial Risk Management (contd)

#### 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 lakh

Particulars	31 March,2021	31 March,2020
Trade Receivables	13692.94	13940.14
Less : Expected Credit Loss	103.64	102.32
Trade Receivables	<b>13589.30</b>	<b>13837.82</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.

#### 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 debt/equity ratio, which is total debt divided by total equity.

₹ in lakh

Particulars	31 March,2021	31 March,2020
Total Debt	24840.91	29416.33
Total Equity	57393.87	50067.18
Debt/Equity Ratio	<b>0.43</b>	<b>0.59</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 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 lakh	
	31 March,2021	31 March, 2020
Financial assets at amortised cost:		
Investment	1.25	1.25
Loans - Non-current	293.23	582.75
Trade Receivables (Non Current)	78.21	58.14
Trade Receivables	13511.09	13,779.68
Cash and Cash Equivalents	1863.49	3,041.49
Bank Balances other than above	9.06	32.65
Loans - Current	57.50	89.90
<b>Total</b>	<b>15813.83</b>	<b>17585.86</b>
Financial assets at fair value through profit and loss:		
Derivative - current - Level 2	-	-
<b>Total Financial Assets</b>	<b>15813.83</b>	<b>17585.86</b>
Financial liabilities at amortised cost:		
Borrowings - Non-current	8378.60	8200.0
Other Financial Liabilities - Non-current	4762.38	5279.48
Borrowings - Current	13964.84	17666.32
Trade Payables	22276.03	16761.05
Other Financial Liabilities - Current	5333.41	6089.23
<b>Total</b>	<b>54715.26</b>	<b>53996.09</b>
Financial Liabilities at fair value through profit and loss:		
Derivative - current - Level 2	-	-
<b>Total Financial Liabilities</b>	<b>54715.26</b>	<b>53996.09</b>

### 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 lakh	
	31 March,2021	31 March, 2020
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	900.03	325.77
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	<b>900.03</b>	<b>325.77</b>

## Notes to Consolidated Financial Statement

for the year ended 31 March,2021

### 41. Information Regarding Micro, Small And Medium Enterprises (contd)

₹ in lakh

	31 March,2021	31 March, 2020
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.	-	-

### 42 Right to Use Assets/Lease Liability

#### a. Right to 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 lakh

Particulars	31 March,2021	31 March, 2020
Addition during the FY 2020-21	352.25	8951.49
Depreciation Charged	1063.66	1167.03
Carrying amount as at March 31, 2021	7080.23	7767.40
Cash Flow for leases	817.57	758.02

#### b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

₹ in lakh

Period	31 March,2021	31 March, 2020
0-1 year	1277.47	1232.09
1-5 year	4543.33	3258.38
More than 5 year	52.04	1850.70

c. The Group has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹144.70 lakh associated with these lease.( Previous Year ₹216.05)

d. The Group has recognised Interest expenses of ₹449.43 lakh on Lease Liabilities during the year. ( Previous Year ₹483.39)

e. 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.

f. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

g. 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.

h. 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.

# Notes to Consolidated Financial Statement

for the year ended 31 March,2021

## Notes

### 43. Distribution made and proposed dividend

₹ in lakh

	31 March,2021	31 March, 2020
<b>Cash dividend on equity shares declared and paid</b>		
Final dividend for the year ended on 31 March 2020:		
Nil per share (31 March 2019: ₹3.00)		724.09
Dividend distribution tax on final dividend		2.33
<b>Total dividend paid</b>	<b>-</b>	<b>726.42</b>
Interim dividend for the year ended on 31 March 2021:		
₹ Nil per share (31 March 2020: ₹4.00)	-	965.46
Dividend distribution tax on interim dividend	-	-
<b>Total dividend paid</b>	<b>-</b>	<b>965.46</b>
<b>Proposed dividend on Equity shares</b>		
Final dividend for the year ended on 31 March 2021		
₹5 per share (31 March 2020: ₹ Nil)	1206.82	-
Dividend distribution tax on final dividend		-
<b>Total dividend proposed</b>	<b>1206.82</b>	<b>-</b>

**44.** 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.

**45.** Exceptional Items of ₹1240.17 lac denotes amount paid for settling outstanding entry tax disputes with Rajasthan & Himachal Pradesh Commercial Tax Department as below

-Rajasthan Govt has announced an AMENSTY SCHEME-2021 in February, 2021 towards rebate of tax and settlement of outstanding demands and disputes. The Company has availed the said scheme and settled the outstanding disputes and demands, towards disputed Entry Tax on raw materials as well as interest and penalty thereon, for ₹1177.45 lacs by payment of ₹662.77 lacs (50% of outstanding entry tax demand) and foregoing ₹514.68 lacs which was earlier deposited under protest.

-Similarly, the Company has also availed Himachal Pradesh (Legacy Cases resolutions) Scheme, 2019 for settlement of outstanding Entry Tax demand on raw material, by paying 10% settlement fees of ₹62.72 lac for settlement of outstanding taxes and interest accrued thereon.

**46.** 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  
**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: L21016AS2013PLC011624

**Saurabh Mittal**  
Managing Director & CEO  
(DIN : 00273917)

**Parul Mittal**  
Wholetime Director  
(DIN : 00348783)

**(Naveen Aggarwal)**  
Partner  
Membership No. 094380  
Place of Signature : New Delhi  
Dated : 27th May, 2021

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & VP - Legal

## Notes

## Corporate Information

### Board of Directors

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. Matangi Gowrishankar, Independent Director

### Audit Committee

Mr. Vijay Kumar Chopra, Chairman  
Ms. Matangi Gowrishankar  
Mr. Sandip Das  
Mr. Saurabh Mittal

### Nomination & Remuneration Committee

Mr. Sandip Das, Chairman  
Mr. Vijay Kumar Chopra  
Mr. Shiv Prakash Mittal

### Stakeholders' Relationship Committee

Mr. Shiv Prakash Mittal, Chairman  
Mr. Saurabh Mittal  
Ms. Matangi Gowrishankar

### Corporate Social Responsibility Committee

Mr. Saurabh Mittal, Chairman  
Mr. Shiv Prakash Mittal  
Ms. Parul Mittal  
Mr. Sandip Das

### Risk Management Committee

Mr. Saurabh Mittal, Chairman  
Ms. Parul Mittal  
Mr. Sandip Das  
Ms. Matangi Gowrishankar  
Mr. Ashok Kumar Sharma  
Mr. BL Sharma (Head of Manufacturing)  
Mr. Devendra Gupta (Vice President – Purchase)

### Operational & Finance Committee

Mr. Shiv Prakash Mittal  
Mr. Saurabh Mittal  
Ms. Parul Mittal

### Chief Financial Officer

Mr. Ashok Kumar Sharma

### Company Secretary

Mr. Prakash Kumar Biswal

### Statutory Auditors

M/s. S S Kothari Mehta & Company  
Plot No. 68, Okhla Industrial Area,  
Phase-III, New Delhi - 110020

### Bankers/financial institutions

IDBI Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
Citibank, NA  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation Limited

### Registrar & Share Transfer Agent

Link Intime India Private Limited  
Noble Heights, 1st Floor, Plot NH 2 , C-1  
Block LSC, Near Savitri Market, Janakpuri,  
New Delhi-110058  
Phone No.: +91 11-41410592  
Fax No.: +91 11-41410591

### Registered Office

Makum Road, Tinsukia,  
Assam-786125  
CIN: L21016AS2013PLC011624

### Corporate Office

2nd Floor, West Wing, Worldmark 1,  
Aerocity, IGI Airport Hospitality District,  
New Delhi-110037, India  
Phone No.: +91-11-42791399  
Fax No.: +91-11-42791330  
Email: investor.relations@greenlam.com  
Website: www.greenlamindustries.com

### Manufacturing facility

- Behror, Rajasthan
- Nalagarh, Himachal Pradesh

