GREENLAM/2023-24
July 13, 2023

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Fax No. 022-2659-8237/8238/8347/8348
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NSE Symbol: **GREENLAM**

**Sub: Annual Report for the Financial Year 2022-23**

Dear Sir/Madam,

Pursuant to Regulation 34(1) and 53(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Annual Report of the Company for the financial year 2022-23 which is being sent to the members of the Company for their adoption, at the 10th Annual General Meeting of the Company to be held on Friday, August 04, 2023 at 11:30 a.m. IST through Video Conferencing/Other Audio Visual Means.

The copy of Annual Report for the financial year 2022-23 is also being posted on the website of the Company i.e. www.greenlamindustries.com.

You are requested to take the above information on records.

Thanking you,
Yours faithfully,
**For GREENLAM INDUSTRIES LIMITED**

PRAKASH KUMAR BISWAL
Digitally signed by PRAKASH KUMAR BISWAL
Date: 2023.07.13 21:25:05 +05'30'

**PRAKASH KUMAR BISWAL**
**COMPANY SECRETARY &**
**VICE PRESIDENT – LEGAL**

Encl: As above

# Bettering

Culture of Execution Excellence

**Greenlam Industries Limited**

Annual Report 2022-23

# Contents

## Corporate overview


| | |
|---|---|
| 04 | Corporate snapshot |
| 07 | Greenlam. Driven by values |
| 09 | The Greenlam one-stop solution |
| 10 | Our consolidated financial performance, FY 2022-23 |
| 13 | How we have grown over the years |
| 21 | Managing Director & CEO's message |
| 27 | CFO's performance review |
| 31 | Integrated value-creation report |
| 46 | Our product categories |
| 64 | The Greenlam brands performance review |
| 70 | Greenlam can be found in prominent global locations |
| 72 | Customer testimonials |
| 74 | Business analysis |
| 90 | Case study: The new Parliament building project |
| 92 | Greenlam's manufacturing excellence |
| 98 | Greenlam and ESG |
| 103 | How we enrich communities |


## Statutory section


| | |
|---|---|
| 107 | Director's report |
| 137 | Management discussion and analysis |
| 144 | Corporate governance report |
| 169 | Business responsibility and sustainability reporting |


## Financial section


| | |
|---|---|
| 196 | Standalone financial statements |
| 255 | Consolidated financial statements |


**Forward-looking statement**

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

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

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

Online report
www.greenlamindustries.com

PART ONE

# THE ‘BETTERING’ WORLD OF GREENLAM

# Greenlam and Bettering

During the last few years, Bettering has been more than a catchphrase at Greenlam.

It has been the driving force of everything we have done.

During FY 2022-23, even as the Company continued to deepen business-strengthening initiatives, it prioritised a discipline around the biggest capital expenditure programme.

## Bettering its planning.

## Bettering capital mobilisation.

## Bettering equipment sourcing.

## Bettering environment standards.

## Bettering plant commissioning.

The result is that Bettering is now preparing the Company for its next round of growth.

Deepening the conviction that a battle well begun is half won.

# Bettering and Greenlam

At Greenlam, Bettering is one word with infinite possibilities.

It is about competing within and becoming the best version of oneself.

It is about voluntarily raising the bar and responding to a higher calling.

It is about building one's endeavour around 'Walking one more mile.'

It is about playing the game for pride – for ourselves, sector, country and world.

It is about playing for the best but de-risking for the unforeseen.

It is about seeking opportunities in chaos and turbulence.

It is about building a business that is clean, green, equitable and ethical.

It is about building a Balance Sheet that is viable across market cycles.

At Greenlam, our Bettering commitment makes us a company that stakeholders trust.

Corporate snapshot

# Greenlam.

One of the top three laminate brands across the world.

India's largest laminates exporter for 12 consecutive years.

Broadbased product portfolio, resulting in one-stop solutions.

Multi-locational brand close to customers and vendors.

Enhancing manufacturing capacities and locations to enhance a pan-national personality.

## Background

Greenlam Industries Limited commenced operations with a laminates manufacturing facility in 1993 in Behror, Rajasthan. The Company extended to the manufacture of compact panels, cladding solutions, restroom cubicle / locker solutions, kitchen solutions, decorative veneers, engineered wooden flooring, staircase solutions and engineered wooden door sets, in addition to a range of decorative laminates.

## Management

Greenlam is promoted by Mr. Saurabh Mittal (Managing Director & CEO), who possesses more than 25 years of experience in the laminates business. The Company is professionally managed around strong multi-competence teams who introduced innovative products and expanded the footprint. Our business is driven by a talent mix of experienced professionals and freshers with knowledge in various fields of expertise.

## Talent

Our business is driven by a talent mix of experienced professionals and freshers with knowledge in various fields of expertise. The Company comprised ~5500 employees (including contractual employees) as on March 31, 2023.

## World-class manufacturing capabilities

Greenlam has five manufacturing facilities in Behror (Rajasthan), Nalagarh (Himachal Pradesh), Prantij (Gujarat), Tindivanam (Tamil Nadu) and Naidupeta (Andhra Pradesh). After the commencement of commercial production at Tindivanam (Tamil Nadu) and Naidupeta (Andhra Pradesh), the annual aggregated capacity across all locations will be 24.52 mn laminate sheets/ boards, 4.2 mn square meters of decorative veneers, 1.0 mn square meters of engineered wooden floors, 1.2 lac engineered doors cum frames, 18.9 mn square meters of plywood and 2.31 lac cubic meters of particle board.

## Wide and deep distribution presence

The Company provided products proximate to consumers. The Company's products were marketed through 9 large regional distribution centres, 21 branch offices, 6 warehouses and 23,000+ distributors, dealers and retailers, among the largest footprints within the sector in India. Greenlam's products were also available in over 100 countries, supported by 4 international distribution centres, 15 international offices, 8 operational overseas subsidiaries and 130+ multi-cultural employees.

## Best sectoral practices

Greenlam's environmental commitment was showcased in confidence-enhancing certifications like FSC, PEFC, ISO 14001, GRIHA, GREENPRO, REACH compliances and OHSAS ISO 45001. The Company enjoys product-specific certifications like CE, UL, NSF, SEFA, Green label, Greenguard and NEMA (US & North America) and BS EN (Global), enhancing its respect as a quality-driven company. Apart from being an ISO 9001 (Quality Management Systems) company, the Company also enjoys a SEDEX certification for Ethical Trade Initiatives.

## Listing and valuation

Greenlam is listed on the BSE Limited and National Stock Exchange of India Limited. The Company enjoyed a market capitalisation of ₹3809.14 cr as on March 31, 2023 (based on the closing price at National Stock Exchange of India Limited).

## Corporate social responsibility

Greenlam is committed to improve the life quality of communities around its manufacturing facilities. The Company improved its corporate citizenship by engaging with NGOs in the fields of health, education, environment and vocational training. The Company's CSR engagement touched ~20,000 lives in FY 2022-23.

## Awards

Greenlam won the prestigious Indian Social Impact Award for Women Healthcare Initiative of the Year – FY 2022-23

## Green credentials

Greenlam is today's products built around tomorrow's sensibilities. The Company makes a responsible use of resources and processes to moderate waste reduction, enhance utilisation of natural resources and deepen business sustainability.

### Greenguard

Greenlam products have been proven to have low chemical emissions

### Greenguard Gold

Greenlam products have been certified Gold Standard for chemical emissions for building materials, finishes and furnishings

### PEFC™

Greenlam has been certified as PEFC, a sustainable forest management certification

### NSF

Greenlam has received NSF certification for food safety with a focus on food, water, indoor air and environment

### GRIHA

Greenlam used GRIHA, a rating tool that helps assess the performance of buildings against certain nationally acceptable benchmarks

### GreenPro

Greenlam's products have been certified as environment friendly for use in green projects

### IGBC

Member of Indian Green Building Council

### Green label

First Indian brand to be certified by Green Label, Singapore

### FSC®

First Indian brand to be certified with FSC® chain of Custody Certification

### Urea free product

Greenlam does not use urea in the laminate manufacturing process

### ISO

Greenlam Industries has been certified with ISO 9001, ISO 14001 and OH&SMS certifications for all its units

## Trust

**We trust people to be reliable and responsible and earn their trust similarly.**

As an organisation, Greenlam deals with the environment, which includes individual employees, vendors, business partners, investors, customers and society at large with good faith. We trust people and strive to earn the trust of them as well. Therefore, we do not deal with anybody who breaches our trust or the trust placed on us by our environment. The Company empowers its employees by placing trust on them for decision-making in the best interests of the organisation and as per the promulgated norms.

## Performance

**We value performance across products, people and processes.**

The Company considers product to be the core ingredient for sustainability and is therefore, the underlying metric for people, product and process selection for the organisation. Moreover, other values only add to performance. Performance means delivery on commitments across every parameter. This also refers to the effort and a continuing endeavour to enhance status quo in to achieve excellence.

# Greenlam. Driven by values

## Learning

**We encourage learning: creating and nurturing talent.**

Greenlam facilitates employee learning and continuously transforms itself. We also support formal learning through structured programs for the empowerment of the people outperforming their individual potential.

## Speed and agility

**We are quick with our decisions, responses and execution.**

The Company values decisions being made without undue procrastination and being implemented within the shortest time possible as we value it as a source of competitive advantage. Therefore, individuals will be held accountable in case of any delay being caused because of them either in the decision making or in the process of implementation. Similarly, we shall respond to the market proactively rather than reacting when the situation reaches a point, where inaction becomes unaffordable.

## Teamwork

**The Company achieves more through its collaboration with the stakeholders, both internal and external.**

Given the inter-linkage of others' output with our performance, we nurture a sense of collective destiny with our environment. Internally, if a peer fails, the team cannot succeed and individual success is negligible in a failed team. Moreover, our customers, partners and investors need to succeed. Therefore, the goals of the organisation come before the goals of the department. Furthermore, dealers, distributors and vendors are our partners.

# The Greenlam one-stop solution

**A comprehensive products portfolio**

## Decorative Laminate & Allied Products

### Laminates

- Commodity to premium products

### Compact panels

- Standard compact panels
- Lab guardian
- Restroom and Locker solutions
- Clads – Façade panels
- Stratus-kitchen surface solutions

### MFC

- Melamine Faced Chip Board

## Veneer and allied products

decowood®
PREMIUM VENEERS
NATURAL | TEAK | ENGINEERED

### Decorative veneer

- Natural veneer
- Engineered veneer
- Teak veneer

Mikasa
REAL WOOD FLOORS

### Engineered Wooden Flooring

- Complete Wooden Flooring Solutions
- Long Planks, Herringbone, Chevron, Staircase Solutions and Matching Accessories

Mikasa
DOORS & FRAMES

### Doors & Frames

- Engineered Wooden Doors & Door sets (doors and frames)
- Fire Rated Doors
- Non Fired Doors
- Speciality Doors – Acoustic & Radiation Shielding
- Designer Doors

# Our consolidated financial performance, FY 2022-23

## Background

**Consolidated net revenues**
grew 18.9 % to ₹2026.0 cr compared to ₹1703.4 cr in FY 2021-22

**EBIDTA**
grew 24.5 % to ₹232.9 cr compared to ₹187.0 cr in FY 2021-22

**PAT**
grew 41.4% to ₹128.0 cr against ₹90.6 cr in FY 2021-22

## Products

**Laminate revenues**
grew 19% to ₹1852.3 cr from ₹1556.3 cr in FY 2021-22

**Decorative veneer revenues**
grew 27.5 % to ₹106.7 cr from ₹83.7 cr in FY 2021-22

**Engineered wood flooring revenues**
grew 16.4% to ₹42.7 cr against ₹36.7 cr in FY 2021-22

**Engineered door business revenues**
de-grew 9.4% to ₹24.3 cr against ₹26.8 cr in FY 2021-22

## Business health

**Gross profit in absolute terms**
grew 24.7% to ₹946.7 cr compared to ₹759.1 cr in FY 2021-22

**Gross margin**
increased 210 bps to 46.7% from 44.6% in FY 2021-22

**EBIDTA margin**
grew 50 bps to 11.5% from 11.0% in FY 2021-22

**Working capital cycle**
improved by 11 days to 70 days of revenues equivalent

# Greenlam in numbers

**8**
Number of operational global subsidiaries

**100+**
Countries where Greenlam products are marketed

**46.5**
% of revenues derived from outside India

**23,000+**
Greenlam footprints across India

**4.9**
% of revenues invested in brand building

**8.6**
% of revenues derived from non-laminate products

**3**
Operational manufacturing facilities as on March 31, 2023

**2**
Greenfield manufacturing facilities under commissioning as on March 31, 2023

**130+**
Overseas employees

**3809.14**
₹ cr, Market capitalisation as on March 31, 2023

**19.02**
mn, per annum, Manufacturing capacity for laminates, as on March 31, 2023

**4.2**
mn, square meters, Manufacturing capacity for decorative veneers

**1.0**
mn, square meters, Manufacturing capacity for engineered wooden floors

**1.2**
lac, Manufacturing capacity for engineered doors and frames

**2.31**
lac cubic meter per annum, manufacturing capacity for particle board*

**18.9**
mn square meter per annum, manufacturing capacity for plywood*

*upcoming capacity

**We** commissioned a brownfield project at Prantij, Gujarat, in FY 2022-23

**We** embarked on the biggest capital expenditure programme in our existence

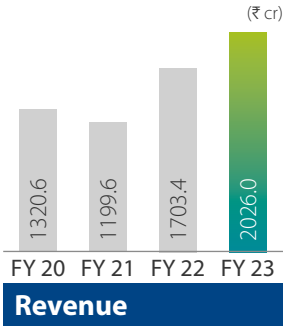
# 5 messages of this Annual Report

**We** are building modern capacities – scale and scope - in new product segments

**We** concluded a preferential issue of equity shares, strengthening our Balance Sheet

**We** intend to grow faster from this point onwards

# How we have grown over the years

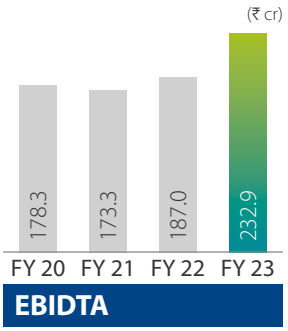



**Definition**
Growth in revenue net of taxes.

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

**What this means**
Helps enhance incomes that, in turn, makes it possible to amortise or pay for expenses.

**Value impact**
Aggregate revenue grew 18.9% to ₹2026.0 cr in FY 2022-23, due to an improved product mix, better volumes and higher realization.

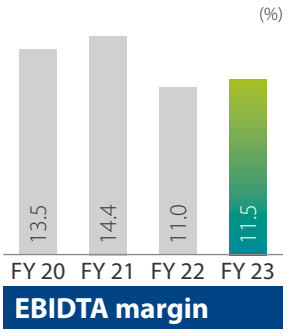



**Definition**
Earnings before the deduction of interest, depreciation, extraordinary items and tax.

**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 24.5% growth in EBIDTA in FY 2022-23, due to higher revenues, lower raw material and freight costs.

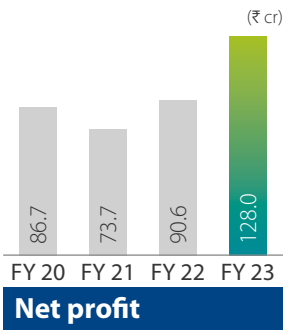



**Definition**
EBIDTA margin is a profitability measure to ascertain a company's operating efficiency.

**Why this is measured**
The EBIDTA 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 50 bps increase in EBIDTA margin in FY 2022-23 due to higher revenues, better product mix, lower raw material and lower freight costs.

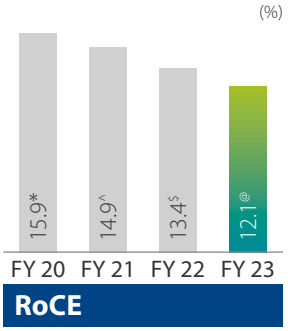



**Definition**
Profit earned during the year after deducting all expenses and provisions.

**Why this is measured**
It highlights the strength of the business model in enhancing value for shareholders.

**What this means**
This ensures that Company generates sufficient profit to pay its shareholders and reinvest in business growth.

**Value impact**
The growth in net profit by 41.4% was mainly on account of higher EBIDTA earnings and lower tax due to tax reversal related to the previous years.




* 16.8% RoCE without considering investment in subsidiaries' greenfield projects and prior to exceptional items, if any

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

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

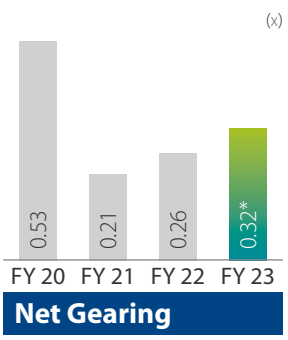
@ 18.2% RoCE without considering investment in subsidiaries' greenfield projects and prior to exceptional items, if any

### 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 130 bps decrease in RoCE in FY 2022-23 due to equity infusion in the last year and capital employed in greenfield projects.



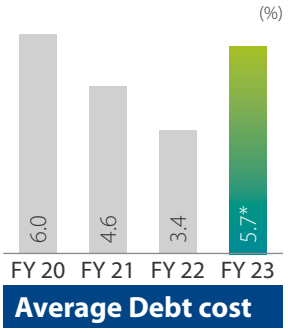

*0.11x excluding net debt related to new projects which are yet to commence operations

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

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

### What this means
This indicates whether the Company enhances shareholder value by progressively moderating debt for existing business.

### Value impact
The Company's net gearing stood at 0.32 in FY 2022-23 due to debt raising for new greenfield projects, investment of accruals from the existing business in greenfield projects and equity raised through a preferential issue.



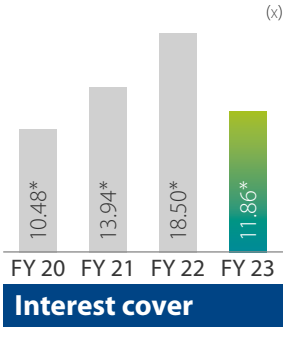

'*The average debt cost has been computed without considering debt taken for the new projects for which interest costs is capitalised

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

### Why this is measured
This indicates the Company's ability in convincing lenders of the robustness of our business model and raising debt at a competitive costs.

### What this means
This translates into a lower cost of debt, thereby enabling more funds for re-investments and shareholder distribution.

### Value impact
The Company's average debt cost increased from 3.4% in FY 2021-22 to 5.7% in FY 2022-23, largely due to a rising interest rate scenario.




'* Interest expense does not include interest expense on 'Right to Use Liability' under IndAS116

### Definition
This is derived through the division of EBIDTA by interest outflow.

### Why this is measured
Interest cover indicates the profit buffer available within the Company to service interest – the higher the better.

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

### Value impact
The Company's interest cover reduced from 18.50 in FY 2021-22 to 11.86 in FY 2022-23, largely due to rising interest rate scenario.

## A dashboard: How we performed across the four quarters of FY 2022-23

| ₹ / cr | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| Revenues | 470.6 | 518.0 | 503.5 | 533.8 |
| EBIDTA | 50.4 | 53.7 | 54.8 | 74.1 |
| EBIDTA margin | 10.7% | 10.4% | 10.9% | 13.9% |
| PAT | 24.6 | 29.2 | 28.2 | 46.1 |
| Receivable days of turnover equivalent | 26 | 24 | 24 | 25 |
| Inventory days | 101 | 93 | 93 | 88 |

PART TWO

# BETTERING: HOW WE ARE BULDING A NEW FOUNDATION

The Company is evolving its business personality around one word
– 'Broadbasing'

# Where Greenlam is in its sector

### Value

Created ₹3809.14 cr of value based on its market capitalization on March 31, 2023

### Leadership

Counted among the world's three largest laminate brands

### Global franchise

Products marketed through a global footprint across 100+ countries

### Product niches

One of the top three laminate brands across the world

### Liquidity

Cash flow-positive in the standalone business since the beginning (inflows > outflows)

### Discipline

Demonstrated working capital hygiene across market cycles

### Buffer

Created cash and liquid investments of ₹257.9 cr as on March 31, 2023

# What Greenlam is doing with its earnings…

Making the largest investment in its business

Broadbasing its revenue mix beyond laminates

Extending beyond three locations to five

Entering South India with two manufacturing facilities

# Greenlam's investment outlays in FY 2022-23 and FY 2023-24

**>1000**
₹ cr, proposed expansion outlay, FY 2023-24

**Largest**
expansion undertaken by the Company so far.

**100**
%, ongoing expansion programme will account for the current asset base when completed

| These are the product segments where we are present today | These are the product segments where we intend to be present tomorrow |
|---|---|
| Laminates | Laminates |
| Decorative Veneer | Decorative Veneers |
| Engineered Wooden Floor & Doors | Engineered Wooden Floors and Doors |
| | Plywood |
| | Particle Board |

# This is why we are making our largest investment now

The Indian economic growth story appears poised at a multi-year expansion runway

Indians are buying or making more homes than ever

In a post-GST world, India's organised sector is carving out a larger market share

India's plywood sector – the base building block – is at a point of demand take-off

India's particle board sector is at an inflection point

Indian consumers are willing to pay more for better products

Consumers seek to buy all their surface and substrate products from a single brand or outlet.

Furniture is now being marketed online, widening the market

**Projected outcomes of Greenlam's record investment**

What Greenlam achieved in 8 years from its existing business has been creditable.

We have charted out a five-year growth roadmap starting FY 2021-22

We will broad base our portfolio towards a one-stop solution

We will deepen our financial discipline and security – across a larger scale

We will position ourselves as an integrated surface and solution provider

We will strengthen our market presence

**Our goals**

To emerge as India's leading wood panel player

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

To grow from a position of respect to first recall

PART THREE

# BETTERING: PERFORMANCE REVIEW BY GREENLAM'S MANAGING DIRECTOR & CEO

Operational review

# Our culture of 'bettering' is poised to leverage the power of execution and graduate the company into the next orbit

**14,000**

₹ cr, Greenlam's addressable market today

**49,000**

₹ cr, approximate size of Greenlam's addressable market of tomorrow

## Overview

In late 2021, we announced 'Readying for the Next Orbit' to create a new foundation for the next leg of the Greenlam growth journey.

What was distinctive and challenging was that Greenlam was proposing growth in locations where it did not possess manufacturing familiarity. The Company was entering product segments where it is not currently present. The Company was investing at an unprecedented scale, estimated at almost 100% of the gross block that it had invested across around three decades. The Company was investing in concurrent projects, enhancing complexity.

Given these challenges, the Company recognised that it would need to bring a distinctive competence into play to ride out these challenges and emerge stronger.

That one competence was the power of - execution.

## Landmark

Before I begin to explain how the Company has responded with a holistically superior project execution capability, permit me to rewind to why over ₹1000 cr expansion has not come a day too soon.

The rationale for the single largest expansion programme in our existence is even stronger today than when we conceived it a couple of years ago.

**One**, there has been a secular growth in the demand of organised products; the shift from unorganised to organised alternatives has accelerated, and this shift is expected to accelerate. This is putting a premium on the capacity of organised brands like ours to expand faster than we have ever done. As a result, the premium in our sector has shifted from 'investment' to 'responsible over-investment.'

**Two**, India is not just consuming more interior infrastructure products; the country is consuming a larger proportion of value-added products across all products categories. The result is that it will not be enough to increase the capacity of one product category; if we do so, we might lose shelf spaces to a company that provides the dealer with a larger family of products.

**Three**, following the pandemic, there is a new premium in the business model of virtually every company: the need to be closer to resources and consumption markets. The expansion will provide Greenlam with the opportunity to commission its two manufacturing facilities in South India, coupled with port proximity (import resources and export end products).

**Four**, as furniture manufacturing gradually moves from the on-site carpentry to off-site mechanised furniture fabrication, there will emerge a progressively larger demand for calibrated resources (plywood and particle board). Greenlam is setting up its maiden plywood and particle board capacity during this expansion programme.

**Five**, there is an increasing incidence of consumers preferring to buy all their interior infrastructure requirements from a single brand and location (saves them commute inconvenience).

This is putting a premium on our ability build around our robust laminates foundation with complementary products that can become product categories in their own right, strengthening our one-stop solution proposition.

Six, we recognise that in view of sweeping changes the world over, it would be limiting if we focused only on the capacity expansion and did not re-wire our DNA. The result is that we have embarked on widening our sales footprint within India, strengthening our systems, deepening the team working ethic, plugging organizational gaps with new talent, deepening our exports focus, engaging more intensively with our stakeholders through engagement survey.

Seven, we aim to enhance our proximity to different port locations, expand the product portfolio of laminates, combination of laminates and pre-lam particle boards, harness our export potential by reaching more countries to earn international revenues and carving away market share from international companies in different countries.

In view of these realities, it would be limiting to treat the capacity expansions Tindivanam (Tamil Nadu), Naidupeta (Andhra Pradesh) and Prantij (Gujarat) as linear or routine. They represent a watershed in our existence that could transform, strengthen our brand, relevance, competitiveness and capacity to enhance stakeholder value.

## Investment priorities

At Greenlam, we did not only earmark an unprecedented investments of over ₹1000 cr in the proposed expansions at Tindivanam (Tamil Nadu), Naidupeta (Andhra Pradesh) and Prantij (Gujarat).

We selected to make the investments reflect a different way of thinking.

It would have been usual to merely invest in new product capacities; Greenlam selected to build showpieces designed to deliver the highest quality and efficiency standards that would help the Company carve out a brand from day one.

It would have been usual to test the waters with a tentative capacity that could have been scaled following the first round of success; Greenlam has selected to build sizable product-wise capacities, seeding locational economies from day one.

It would have been usual to focus on the existing capacities; Greenlam has over-provided for space that should make it possible for the Company to commission subsequent expansions with speed and economy.

**It would have been usual to have a stressed Balance sheet for the first few years while the project was in the process of being scaled; Greenlam's peak debt-equity ratio and peak long-term debt will be well within the comfort zone in FY 2023-24, following which repayments will commence.**

It would have been usual to fund the expansion through the existing Balance Sheet; Greenlam reinforced the Balance Sheet through equity mobilisation that enhanced net worth by ₹195 cr.

It would have been usual to combine debt with accruals in funding over ₹1000 cr project; Greenlam's financial closure comprised significant portion of debt mobilised from Landesbank Baden-Wurttemberg, Germany and International Finance Corporation (IFC), Washington with repayment tenure of more than ten years.

It would have been usual to have a stressed Balance sheet for the first few years while the project was in the process of being scaled; Greenlam's peak debt-equity ratio and peak long-term debt will be well within comfortable zone in FY 2023-24, following which repayments will commence.

In view of this, Greenlam has not only built greenfield manufacturing capacities for today; it has created the foundation for secure, stable and scalable long-term growth.

## Granular competence

At Greenlam, we have approached each of our product segments with a commitment to transform them into Centres of Excellence, marked by a unique complement of sophistication and scale.

Plywood: The Company is engaged in commissioning India's largest plywood plant at a single location of this facility in Tindivanam, Tamil Nadu. This will also be the Company's first plywood plant in South India. The automation at this plant and access to superior resource will ensure that the plant rolls out one of the finest plywood in India from day one. The plant is likely to be commissioned in June, 2023.

Laminates: Following the commissioning of this facility in Naidupeta, Andhra Pradesh the aggregate laminates capacity is likely to be the largest in India (four pan-India plants), assuring the Company of corresponding economies. The increased output will not represent more of the same; the Company will graduate to new and larger laminate sizes. By the virtue of being located within 100 kms from the nearest port, the Company will be empowered to export and import resources with low carbon footprint and logistic costs. The plant is likely to be commissioned in second quarter of FY 2023-24

Particle board: The Company's entry into particle board will strengthen our presence in the wood panel space and enhance our product offerings. The Company's particle board capacity in Naidupeta, Andhra

Pradesh will be among the first to be commissioned in South India, enhancing competitiveness over material transported from North and West India. The Company intends to start the commercial production by the last quarter of the current financial year.

## Addressing a priority

At Greenlam, we recognise that market leadership gravitates to companies with well-rounded personalities. In view of this, the Company did not only deepen its manufacturing competence; it addressed every single organizational facet that contributed to the whole, catalysing business sustainability.

ESG focus: At Greenlam, it is not enough to produce more or price better; there is an over-riding priority to do so around a moderated carbon footprint. Your Company always invested in plants, processes and practices that delivered clean outcomes; this commitment was reinforced during the year under review, when the Company invested in its proposed manufacturing facility with state-of-the-technologies that will enhance material yield and moderate waste, the basis of our environment integrity. In addition, the Company also invested in modern equipment at its existing plants to enhance water conservation and to reduce particulate matter emissions.

EES: In pursuit of our efforts to remain an employer of choice, we conducted an employee engagement survey called Dialogue. The survey registered a whopping 92% response and 78% engagement at the organization level which was indeed encouraging. The findings of the survey validated that we are moving in the right direction. These findings include:

One, employees expressed their confidence in the business and leadership.

Two, there is a clear alignment between individual and organizational goals, with employees displaying great clarity and zeal in achieving them.

Three, employees are dedicated to conduct business ethically and virtuously.

Four, employees are committed to be encouraging and optimistic brand ambassadors. These findings highlight the positive sentiment within and reinforce our belief that we are on the right track.

Digitalisation: The Company is deepening digital investments that automate the routine, accelerate processes, widen the analytics pool and deepen the role of informed decision making. The Company's digital investments were directed at Customer Relationship Management (CRM), Distribution Management Systems (DMS) and HR on Darwinbox. We believe that in a growing organization with a wider geographic footprint manufacturing a wider products range and servicing a considerably larger consumer spectrum, digitalisation will thread different functions and make it possible to unleash information across functions that enhance our market responsiveness.

**There is an increasing incidence of consumers preferring to buy all their interior infrastructure requirements from a single brand and location (saves them commute inconvenience). This is putting a premium on our ability build around our robust laminates foundation with complementary products that can become product categories in their own right, strengthening our one-stop solution proposition.**

Sales: The Company recognises that in a market that is evolving and growing at the same time, there is a priority to build a strong customer interface. In view of this, the Company deepened building the front end of its business: it reached 23,000+ distributors, dealers and retailers, a significant competitive advantage; it institutionalised its CRM and launched the DMS; it expanded sales teams that will widen and deepen the Company's presence to any cluster with a population ranging from 5000 to 50,000; its carpenter loyalty programme in South India will widen traction with opinion influencers; addition of an experience centre in Ahmedabad will enrich the products display and in-store experience; its range refurbishment will keep exciting consumers and trade partners.

International: The Company will widen its global footprint and enter alliances to deepen its European market penetration. The commissioning of the Naidupeta (Andhra Pradesh) plant proximate to the port will enhance exports and related competitiveness; the Company is investing in a wider category choice, which should enhance international revenues.

Agroforestry: The Company pursued its raw material sustainability programme (Agroforestry) during the year under review. The Company formed a focused team and will commence a farmer outreach programme this year that should translate into the first generation of resource availability starting in three to five years, which will empower the Company with a predictable supply of quality raw material, moderating costs, working capital outlay, carbon footprint and logistics expenditure.

Equity raise: The Company mobilised ₹195 cr in net worth through a preferential issue of equity shares during the last financial year. This inflow helped right-size the Company's Balance Sheet to a desired debt-equity ratio, moderate debt risk arising

out of a large expansion and leave adequate liquidity on the table to drive the business ahead.

## Performance review, FY 2022-23

I am pleased to communicate that your Company reported a record performance in FY 2022-23.

Your Company reported a 18.9% growth in revenues from ₹1703.4 cr in FY 2021-22 to ₹2026.0 cr in FY 2022-23. EBIDTA strengthened 24.5% from ₹187.0 cr in FY 2021-22 to ₹232.9 cr in FY 2022-23. Net profit strengthened 41.4% from ₹90.6 cr in FY 2021-22 to ₹128.0 cr in FY 2022-23. This indicates that the Company reported profitable growth during a challenging year marked by volatile realisations and demand. The Company broke the ₹500 cr quarterly revenue barrier, a trend that is likely to be maintained. The Company's performance was marked by value growth and marginal volume growth.

Despite challenges, the business reported superior capital efficiency. Return on Capital Employed (without considering capital employed in new projects) strengthened from 14.9% to 18.2%; EBIDTA margin strengthened from 11.0% to 11.5%.

The Company's liquidity hygiene continued to be protected, the volatility and increased interest rates notwithstanding. The Company's net cash position strengthened from ₹176.5 cr to ₹257.9 cr from year-start to year-end. Though the interest cover declined from 18.5 to 11.86 through the year under review, yet the same remained well within comfortable zone. The receivables cycle has improved at around 26 days of turnover equivalent in FY 2022-23; working capital cycle has significantly improved at around 70 days of turnover equivalent from 81 days of turnover equivalent in FY 2021-22.

The Company reported superior realizations following enhanced focus on the manufacture of value-added products, helping counter resource inflation. There was a slower growth in the Company's international business on account of a global slowdown, higher logistics costs and currency issues in various countries.

**The Company is optimistic that with all its greenfield and brownfield expansions coming on stream during the current financial year, the year under progress will be on phased growth and all revenue engines firing from FY 2024-25.**

The one highlight of the Company's performance was the rapid turnaround of the acquisition in Gujarat. This plant was acquired in June, 2022, comprising capacities to manufacture high pressure laminates. The Company commercialised two lines (third was operationalised in May 2023), matching the operating parameters of Behror and Nalagarh. The result was that the plant was turned around in just two months and the Company further acquired 6.8 acres of land for future expansion strengthening the overall viability of the location.

Meanwhile, the Behror and Nalagarh plant continued to report progress and expected to generate adequate resources to support future growth plans. The objective of the Company will be to gradate its new or expanded units to a critical mass where they can generate their resources from within without resource to the Balance Sheet, making it possible for the pooled surplus to be invested in products, plants or locations.

## Outlook

The Company is optimistic that with all its greenfield and brownfield expansions coming on stream during the current financial year, the year under progress will be on phased growth and all revenue engines firing from FY 25.

I must draw the attention of our shareholders that Greenlam's culture of bettering is likely to extend from incremental profit & loss account gains to a sizable Balance Sheet competitiveness following the commissioning of the greenfield Naidupeta & Tindivanam plants, Gujarat expansion and the sustained outperformance of the Behror and Nalagarh facilities.

In view of this, I am confident that the Company stands at the cusp of a decisive moment in its existence, when it readies to climb into the next orbit and enhance value for all its stakeholders in a sustainable way.

Saurabh Mittal
Managing Director & CEO

Chief Financial Officer's performance overview

# A financial perspective into our business

**How we maintained business growth in FY 2022-23 and created a new foundation**

## Snapshot, FY 2022-23

| 18.9 | 41.4 | 29.0 | 50 |
|---|---|---|---|
| % revenue growth | % PAT growth | % cash profit growth | Bps increase in EBIDTA margin |

## Strip snapshot

Leverage distribution network > Sell more > Strengthen the value-added portfolio > Enhance cash flows

Maximise accruals reinvestment > Strengthen an under-leveraged Balance Sheet > Create a platform for long-term sustainability

## Big picture

The big message is that the Company balanced the need to sustain business momentum and also create a new foundation for the next phase of its growth during the last financial year. We believe that this scenario presented cash flow and capital allocation priorities, any under-delivery could have had project commissioning and profitability implications. The fact that the Company could report revenue growth of 18.9%, EBIDTA growth of 24.5%, PAT growth of 41.4% and achieve financial closure of its expansion programme indicates a competence in addressing stakeholder needs for the moment and the future.

## Capital expansion

The principal challenge comprised the need for a timely financial closure of the proposed over ₹1000 cr expansion, the largest in the Company's existence.

The challenge was underlined by the fact that the previous largest expansion undertaken by the Company was for ₹150 cr; besides, this expansion is likely to add almost 100% to the Company's gross block in one stroke.

The related challenges of this unprecedented expansion warranted a prudent gearing structure (balance of debt and net worth), right cost of blended capital, extended repayment tenure and protecting overall liquidity. The other challenge comprised funds mobilisation for Gujarat plant acquisition and modernisation, which transpired at the close of the first quarter of the last financial year. Besides, the Company was required to address the challenges of the day, comprising inflation, increased interest rates, multi-country currency challenges, protecting the product price-value proposition and safeguarding liquidity.

The Company achieved financial closure during the year under review. The capex was financed by raising debt to the extent of 65% of the capex cost, which comprised long-term foreign currency debt from a German bank, long-term non-convertible debentures from International Finance Corporation (IFC) and term loans from Indian banks. Internal accruals comprised 35% of the capex. IFC conducted a stringent financial and non-financial due-diligence before proceeding to sanction the loan, validating the quality of management, business and processes. Apart from the above, the Company raised ₹195 cr from a preferential issue of equity to strengthen its Balance Sheet.

Capital expenditure

| Year | FY 22 | FY 23 | FY 24E |
|---|---|---|---|
| Capital expenditure (₹ cr) | 40.9 | 92.9 | 482.3 |

## Profitable growth

During the last year, the Company scaled its business profitably, validating its resilience. The Company reported 18.9% revenue growth (compared with the Indian GDP growth of 7.2%). The Company reported a 41.4% increase in profit after tax.

Profitable growth

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Revenue growth % | (9.2) | 42.0 | 18.9 |
| EBIDTA growth % | (2.8) | 7.9 | 24.5 |
| PAT growth % | (15.0) | 22.9 | 41.4 |

*De-growth mainly on account of COVID-19 pandemic slowdown in FY 2020-21

## Rating

The highlight of the Company's performance was how it was perceived by demanding credit rating agencies. Your Company protected its credit rating of AA- (stable) long-term borrowings as appraised by CARE Ratings Limited and ICRA Limited. This protection represents a validation of the Company's performance, promoter and prospects. This creditable rating is likely to generate positive spin-offs: empowering the Company to mobilise low-cost debt across longer tenures and strengthening its respect as a front-line talent recruiter.

Credit rating

| Agency | Rating |
|---|---|
| CARE Ratings | AA-(Stable) |
| ICRA Limited | AA-(Stable) |

## Capital efficiency

The Company reported creditable profitability during the year under review. EBIDTA margin strengthened 50 bps to 11.5%, which was a reflection of an improvement in volumes, economies, working capital management and a larger proportion of value-added products. Return on Capital Employed (without considering capital employed in new projects) strengthened 330 bps to 18.2%; RoE marginally declined from 13.8%, to 13.2% due to capital inflows that will translate into earnings only across the foreseeable future.

The Company protected the overall integrity of its Balance Sheet while reporting record financials. The average cost of gross debt was 5.7% while the Company generated an average 13.2% Return on Equity.

The overall improvement in the health of the business was the result of various long-term priorities: enhanced economies of scale through progressive investments in manufacturing capacity and brand in the laminates business coupled with a continuing working capital management discipline.

Following the expansion, we are optimistic of enhancing capital efficiency through a balance of debt cum equity-funded growth, projects commissioning, investment in cutting-edge technologies and value-addition. Our investment has been in locations that are proximate to ports, widening our resource and market access, strengthening our overall profitability.

## Financing the expansion

The Company focused on creating a sustainable financial foundation related to its expansion programme. The project, worth over ₹1000 cr, is being funded through a mix of internal accrual and long-term debt. Nearly 70% of debt was raised in rupees and 30% in foreign exchange; the blended repayment tenure was over 9 years (half the debt enjoyed a repayment tenure of around 84 months and half the debt is to be repaid over 135 months). By availing of a significantly long debt repayment profile, the Company will be prudent in managing debt repayment and enhance long-term liquidity.

## Margins

During the last financial year, our EBIDTA margin strengthened following a consistent focus on value-added products coupled with stringent working capital management. The improved margins also represented a validation of our volume-and-value-driven approach, and activity-based costing.

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| EBIDTA margin % | 14.4 | 11.0 | 11.5 |

## Liquidity

As a policy, we have maximised the use of accruals in business growth, moderating the use of borrowed funds. We have seen that this has worked best: the prudent use of moderately priced debt in capital projects with a long-term orientation has inspired us to perform better and left us with adequate

net worth to fund our working capital. We place a premium on liquidity, preferring it over profitability when the alternative is between maximum revenues with stretched liquidity and centrist revenues with enhanced liquidity.

Working capital as a proportion of the total employed capital was 37.7% and 41.4% in the last two years. The working capital tenure improved from 81 days of turnover equivalent in FY 2021-22 to 70 days in FY 2022-23. The Company's receivables were 26 days of turnover equivalent during the year under review. A highlight of the Company's liquidity management was no appreciable increase in the Company's working capital outlay even as revenues increased 18.9% in FY 2022-23. By selecting to moderate inventory and shrink the receivables cycle, the Company increased working capital turns – from 4.5 in FY 2021-22 to 5.2 in FY 2022-23.

The result was that the Company drew only 60% of the sanctioned short-term facilities from banks (on average), which made it possible to moderate interest outflow and enhance profitability. We enhanced our working capital hygiene: shrinking our receivables cycle through better terms of trade with primary customers (trade partners), marketing products with quick offtake that supplemented their cash flows and graduating to a value-added product mix. Over the years, the Company has worked with an under-borrowed Balance Sheet, marked by adequate cash in hand, rising interest cover, strong gearing and lower Net debt/EBIDTA. The Company focused on strengthening terms of trade, and addressing fresh capital expenditure needs (less incremental debt).

The result of this financial discipline was the Company repaid ₹32.3 cr during the last financial year even as it invested ₹262.0 cr in greenfield projects and acquisitions through net worth. The preferential issue of equity helped aggregate a sizable net worth resource at the Company's disposal to address possible future expansions and sustain liquidity.

The Company will continue to prioritise the efficient use of working capital. Following the expansion, plywood business will require moderate working capital while laminates working capital will be maintained as is done now (with a positive influence through port proximity of the new laminates plant at Naidupeta). On the overall, the Company will attempt to moderate its working capital outlay by working with a lower inventory.

Working capital intensity

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Working capital as % of total capital employed | 36.6 | 41.4 | 37.7 |

* Capital employed is excluding capital employed in new projects.

Cash and cash equivalents

| As on March 31 | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Cash and cash equivalents (₹ cr) | 125.1 | 176.5 | 257.9 |

## International revenues

The Company is positioned as an international laminates producer headquartered in India. The Company services the growing demand of customers – individual and institutional - across 100+ countries. Nearly 51% of the Company's laminates revenue was derived from international markets, a reflection of its growing competence and confidence and ability to service a large global market with a timely supply of quality material.

International revenues

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Total international revenues as a % of overall revenues | 51.7 | 49.4 | 46.5 |
| Laminate international revenues as a % of overall revenues | 49.7 | 48.4 | 46.2 |

## Realisations

The Company has consistently enriched its portfolio through the manufacture of value-added laminates, translating into higher realisations. The increased realisation was also catalysed by the weakness of the rupee against the US dollar (8.3% depreciation in FY 2022-23).

Average laminates realisation

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Average realisation per sheet (₹) | 765 | 894 | 1038 |

## Debt management

The Company's net debt (related to existing operations and not counting the expansion) declined from ₹168.8 cr to ₹110.4 cr; net worth strengthened from ₹655.1 cr to ₹969.0 cr; net gearing was stronger from 0.26 in FY 2021-22 to 0.11 in FY 2022-23. The cost of average debt on the Company's books was 5.7% during the year under review (3.4% in the previous year), which we consider to be reasonable in the rising interest rate scenario.

Debt status

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Debt repaid (₹ cr) | 50.0 | 24.8 | 32.3 |
| Net debt (not related to expansion) (₹ cr) | 123.3 | 168.8 | 110.4 |

Debt cost

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Average debt cost % | 4.6 | 3.4 | 5.7 |

Gearing

| Year | FY 21 | FY 22 | FY 23 |
|---|---|---|---|
| Net debt-equity ratio | 0.21 | 0.26 | 0.11 |

All the above data points are related to existing operations and do not include the on-going expansion.

## Accruals management

Capital discipline is central to the Company's sustainability. The Company generated ₹191.3 cr in cash profit during the year under review. Some 11% of profit after tax was returned to shareholders as dividend. Of what was left, the Company reinvested in its business.

## Way forward

The Company enjoyed a strong financial position at the end of the fiscal year under review. The Company's net worth stood at ₹968.9 cr as on March 31, 2023, with ₹156.9 cr in long-term debt and ₹186.2 cr in short-term debt and cash equivalents of ₹232.8 cr (related to existing operations and not counting the expansion). The Company's large net worth was the outcome of a long-term build-up of surpluses and raising equity. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods.

Ashok Sharma
Chief Financial Officer

## Cost and returns

**1000.0**
₹ cr, Our capital expenditure (proposed)

**1.75**
₹, Potential output generation with a rupee's investment in the expansion

## Total addressable market

**14,000**
₹ cr, market size being addressed today by the Company

**49,000**
₹ cr, market size likely to be addressed by the post-expansion Company

## What our management feels

"If this is a concise message that one needs to communicate from a financial perspective, it is this: the Company embarked on the largest expansion in its existence without compromising the integrity of the Balance Sheet. This will ensure that the existing business of the Company will sustain its existing profitability; the expansion has been funded through a prudent mix of debt and internal accrual: the debt has been mobilised for the long-term, which is well beyond the projected payback tenure of the expansion programmes. This priority will ensure that the Company possesses adequate capacity and cash that will help de-risk its expansion program, creating a robust foundation for the next phase of its profitability."

Ashok Kumar Sharma
Chief Financial Officer

## Our financial objectives

| | | | | |
|---|---|---|---|---|
| The Company expects to generate adequate cash to strengthen its financials | Commission the expansion on priority to minimise time or cost overrun and initiate timely revenues | Protect Balance Sheet integrity during the expansion phase | Strengthen or maintain the credit-rating that makes it possible to mobilise low-cost debt | Grow the existing business out of accruals |

PART FOUR

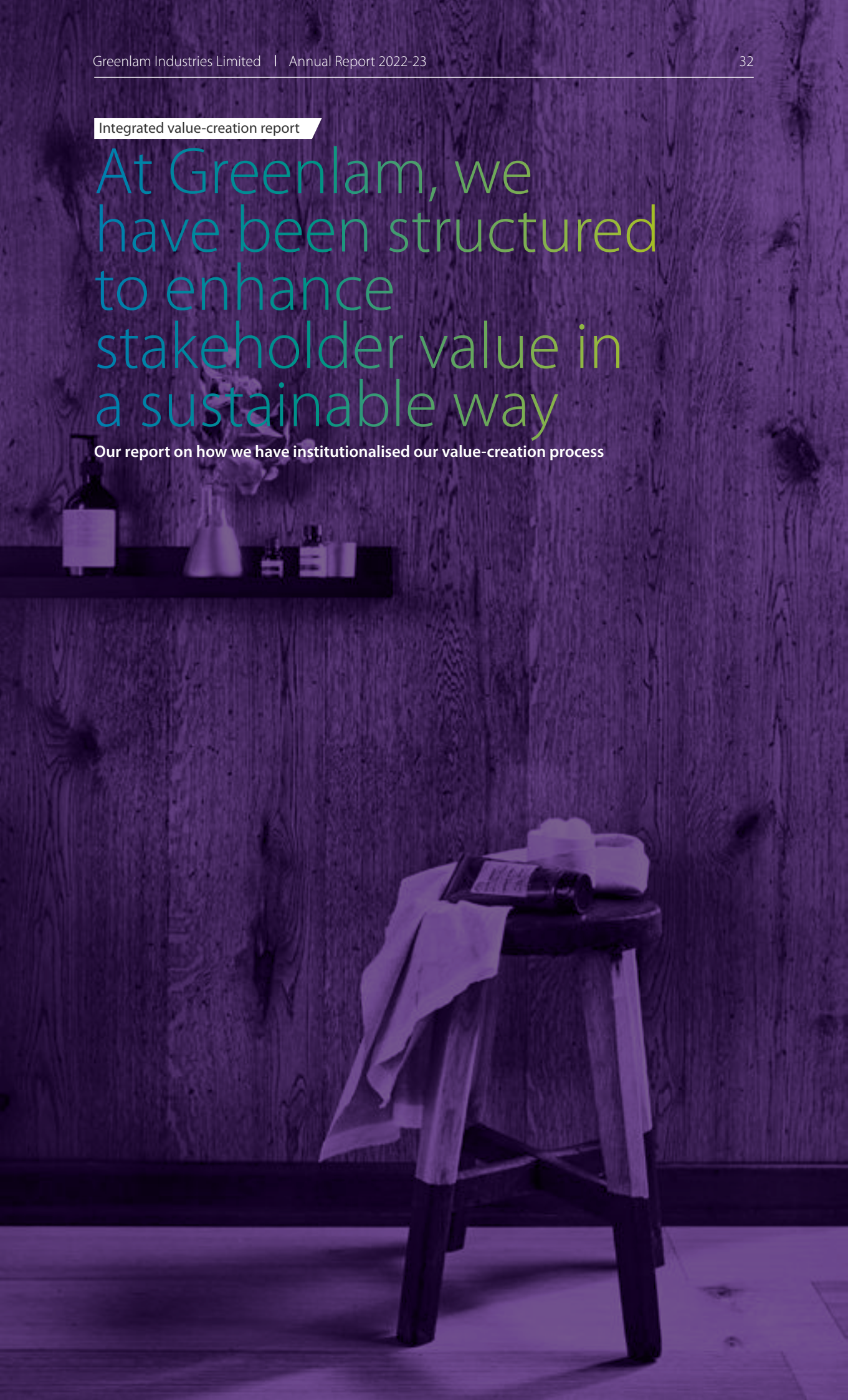
# BETTERING: GREENLAM AND VALUE CREATION

A credible track record of profitable growth

Integrated value-creation report

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

**Our report on how we have institutionalised our value-creation process**

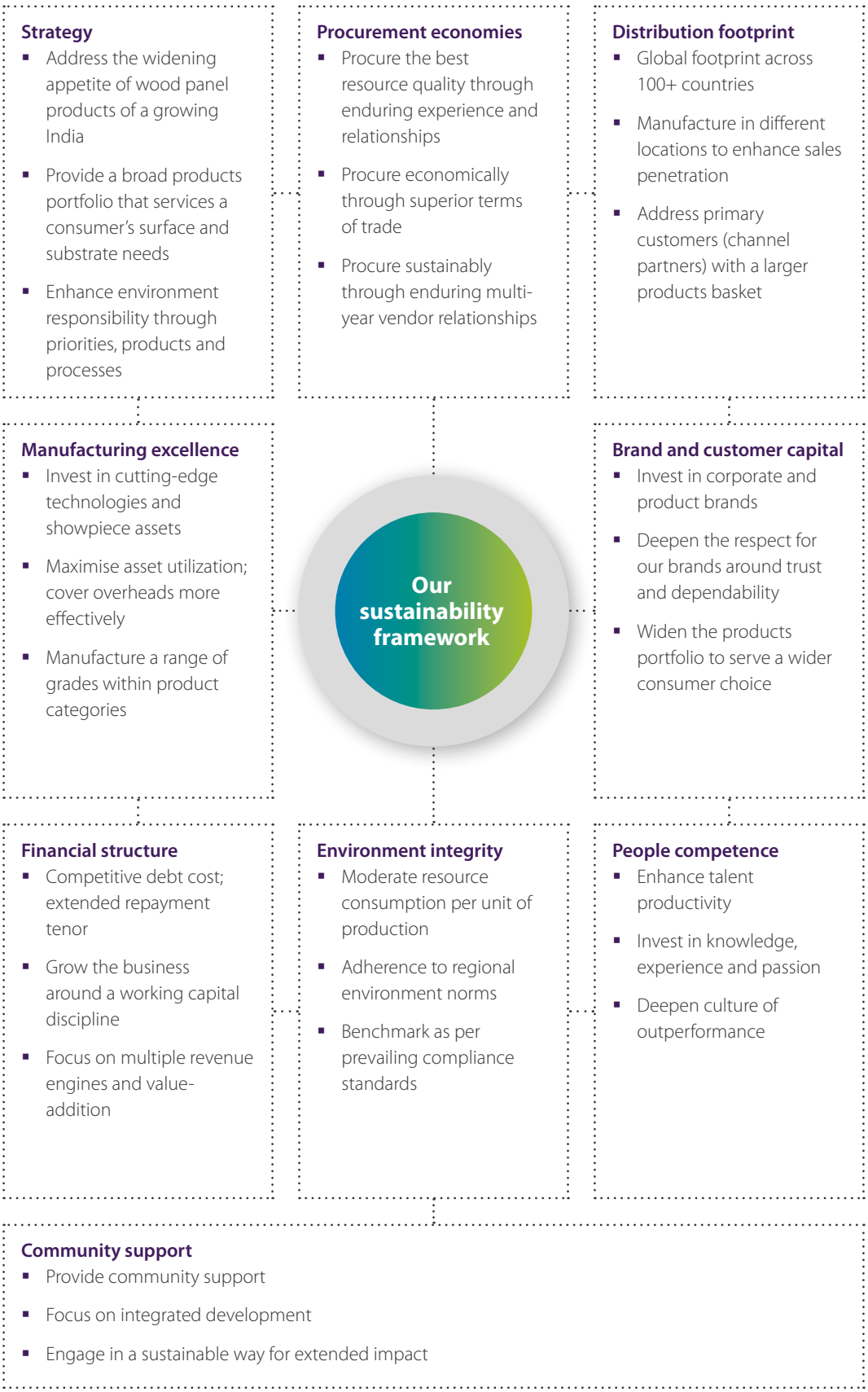


## Overview

In the modern world, the operative term being increasingly used is 'stakeholder value'.

'Stakeholder' does not refer to the owner interest group; it refers to every single individual or sentient being likely to be influenced by the Company directly or indirectly.

This Integrated Value-Creation Report is different because it appraises 'hard' and 'soft' initiatives by drawing on diverse strands (financial, management commentary, governance, remuneration and sustainability reporting) and explaining how an organisation creates, enhances value for diverse stakeholders (employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers).


Strategy
Address the widening appetite of wood panel products of a growing India
Provide a broad products portfolio that services a consumer's surface and substrate needs
Enhance environment responsibility through priorities, products and processes
Procurement economies
Procure the best resource quality through enduring experience and relationships
Procure economically through superior terms of trade
Procure sustainably through enduring multi-year vendor relationships
Distribution footprint
Global footprint across 100+ countries
Manufacture in different locations to enhance sales penetration
Address primary customers (channel partners) with a larger products basket
Manufacturing excellence
Invest in cutting-edge technologies and showpiece assets
Maximise asset utilization; cover overheads more effectively
Manufacture a range of grades within product categories
Our sustainability framework
Brand and customer capital
Invest in corporate and product brands
Deepen the respect for our brands around trust and dependability
Widen the products portfolio to serve a wider consumer choice
Financial structure
Competitive debt cost; extended repayment tenor
Grow the business around a working capital discipline
Focus on multiple revenue engines and value-addition
Environment integrity
Moderate resource consumption per unit of production
Adherence to regional environment norms
Benchmark as per prevailing compliance standards
People competence
Enhance talent productivity
Invest in knowledge, experience and passion
Deepen culture of outperformance
Community support
Provide community support
Focus on integrated development
Engage in a sustainable way for extended impact

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

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

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

**Our resources**

## Greenlam's value-creation journey

**Our resources**

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

**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

| Strategic focus | Key enablers |
|---|---|
| Retain premier laminates position; deepen holistic leadership; reinforce consistent thought leadership and outperformance; enhance market share | ▪ Investment in design, process and product research; plug market gaps with speed<br>▪ Reinforce commitment to launch products around superior and innovative features<br>▪ Complement product edge with installation speed and convenience |
| Deepen cost competitiveness and leadership<br>Enhance a price-value proposition<br>Widen the corporate moat | ▪ Mobilise debt at a relatively low cost<br>▪ Maximise the use of patient capital (equity) and long-term debt repayment<br>▪ Leverage existing manufacturing infrastructure while adding new plants<br>▪ Leverage product manufacturing insights from across the decades<br>▪ Leverage a foundation of operational excellence<br>▪ Enhance the role of process automation and digitalisation<br>▪ Maximise asset utilization; moderate per unit production cost |
| Supplier of choice; preferred brand<br>Remain trusted through regions, customers and market cycles | ▪ Superior product launch<br>▪ Arrive at a superior price-value proposition for primary and secondary customers<br>▪ Brand assurance of product durability and replacement (in the event of issues)<br>▪ Launch support and service for customers, graduating the product into a solution<br>▪ Engage with trade partners close to customers and who always keep material in stock<br>▪ Credible product certifications respected across the world<br>▪ Deploy superior manufacturing technologies |

| Material issues addressed | Capitals impacted |
|---|---|
| ▪ Ability to identify market gaps<br>▪ Ability to plug the gap with relevant products<br>▪ Ability to ascertain alternative technology features<br>▪ Ability to ascertain the right launch timing<br>▪ Ability to establish a superior price-value proposition | Manufactured, Intellectual, Financial |
| ▪ Ability to build the business around a strong Balance Sheet and credit rating<br>▪ Mobilise low-cost debt and new equity partners<br>▪ Engage in disciplined capital allocation across new products and categories<br>▪ Invest in superior manufacturing technologies that moderate per unit production costs<br>▪ Seek long-term viability reflected in an any-market cost competitiveness | Financial, Intellectual, Natural, Social and Relationship |
| ▪ Manage trade partner relationships<br>▪ Manage leaving adequate value on for trade partners to build their businesses<br>▪ Launch of the right schemes and incentives that take the business ahead for stakeholders and the Company | Intellectual, Manufactured Social and Relationship |

# Our strategy *Continued*

| Strategic focus | Key enablers |
|---|---|
| Robust people practices that enhance talent productivity<br>Generate rising revenues and profits per person employed, the basis of corporate profitability<br>Inspire a culture of continuing excellence and leadership | ▪ People-centric policies<br>▪ Industry-benchmarked remuneration<br>▪ Work-life balance for employees<br>▪ Fair and equitable compensation structure<br>▪ People engagement marked by respect for dignity, delegation, empowerment, responsibility and accountability<br>▪ High retention, renewal, motivation and outperformance |
| Responsible corporate citizenship<br>Address the unmet needs of communities<br>Make measurable improvements | ▪ Greenlam allocated ₹2.03 cr for CSR activities in FY 2022-23<br>▪ These activities covered the following priorities; promoting education, promoting health care, promoting gender equality and ensuring environmental sustainability<br>▪ The engagements were carried out through a complement of NGOs |
| Focus on sustained value-creation<br>Send out the image of the Company as a well-rounded organisation | ▪ Addressing the needs of all stakeholders<br>▪ All stakeholders comprising customers, employees, vendors, government, lenders and shareholders |

| Material issues addressed | | Capitals impacted |
|---|---|---|
| ▪ Sustaining a professional and excellence-driven culture<br>▪ Balance the role of full time and contractual talent | | ▪ Intellectual, Human Relationship, Natural |
| ▪ Need to ascertain unmet community needs<br>▪ Need to create the right CSR team to see projects to conclusion<br>▪ Need to work with the right NGOs to enhance outcomes | ▪ Need to derive measurable outcomes to establish credibility | ▪ Social and Relationship |
| ▪ Need for a holistic understanding of the needs of all stakeholders<br>▪ Need to enhance value through the manufacture of a superior product, high asset sweating and high resource utilization, among others | ▪ Greenlam also invested in governance, resulting in strategic stability, coupled with investments in business automation and systems | ▪ Intellectual, Manufactured, Social and Relationship |

# How Greenlam engages with all its stakeholders

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

| Stakeholder group | Greenlam's considerations | Stakeholder interests |
|---|---|---|
| Customers | ▪ Our products are intended to enhance pride, utility and aesthetics. We provide products that plug unmet needs of customers | ▪ Quality, availability, accessibility and affordability<br>▪ Consistent, reliable and on time product supply<br>▪ Impact of product recalls and any quality or efficacy concerns that may arise |
| Government, competent authorities | ▪ Our ability to produce, market and distribute products is dependent on regulatory approvals by the concerned government authorities | ▪ Legal and regulatory compliance<br>▪ Social and environmental impact of operations<br>▪ Tax revenues and investments |
| Employees | ▪ 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 | ▪ Job security<br>▪ Equitable remuneration, performance incentives and benefit structures<br>▪ Diversity and inclusivity<br>▪ Performance management, skills development and career planning<br>▪ Reputation as an ethical employer<br>▪ Employee health, safety and wellness |
| Suppliers | ▪ These stakeholders play an important role in enabling us meet our commitments to customers | ▪ Fair engagement terms and timely settlement<br>▪ Ongoing communication on our expectations and service levels provided<br>▪ Fair and timely payment |
| Investors and lenders | ▪ As providers of capital, these stakeholders require to be kept informed of material developments impacting the Group and its prospects | ▪ Growth in revenue, EBIDTA and PAT<br>▪ Appropriate management of capital expenditure, working capital and expenses<br>▪ Gearing, solvency and liquidity<br>▪ Dividends<br>▪ Security over assets, ethical stewardship of investments and good corporate governance |

| How we engage | | Capitals impacted |
|---|---|---|
| ▪ Engage with primary buyers (trade partners), and architects<br>▪ Transparent communication with customers through | commercial discussions and meetings | ▪ Intellectual<br>▪ Manufactured |
| ▪ Audits of manufacturing sites by regulatory authorities to ensure Good Manufacturing Practice (GMP) and regulatory compliance<br>▪ Participation in industry bodies | ▪ Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes<br>▪ Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities | ▪ Manufactured<br>▪ Social & Relationship<br>▪ Natural |
| ▪ Direct engagements by supervisors and business management<br>▪ Induction and internal training | ▪ Employee wellness campaigns | ▪ Human |
| ▪ Conducting various training programs | | ▪ Social & Relationship<br>▪ Financial |
| ▪ Dedicated investor and analyst presentations<br>▪ Stock exchange announcements, media releases and published results | ▪ Annual General Meetings<br>▪ Investor relations section of Greenlam's website | ▪ Financial |

## The value we created in FY 2022-23

| Financial capital | Manufacturing capital | Human capital | Intellectual capital | Natural capital | Social and relationship capital |
|---|---|---|---|---|---|
| Earnings per share: ₹10.27<br><br>Market capitalisation (as on March 31, 2023): **₹3809.14** cr | Revenues earned from the laminates business: **₹1852.3** cr<br><br>Revenues earned from the veneer business: **₹106.7** cr<br><br>Revenues earned from the engineered door business: **₹42.7** cr<br><br>Revenues earned from the engineered floor business: **₹24.3** cr | Employees: **~5500**<br><br>Employee expenses: **₹313.9** cr | Cumulative senior management experience: **>500** years | Consumed renewable energy in FY 2022-23 (mn units): **>100**<br><br>Consumed natural resources | Number of vendors associated with the Company: **>2500** |

## Greenlam and enhanced shareholder value

### Capital appreciation

**2,262.30**
₹ cr, market capitalisation, March 31, 2021

**4,386.18**
₹ cr, market capitalisation, March 31, 2022

**3809.14**
₹ cr, market capitalisation, March 31, 2023

### Relative outperformance

**~230**
% growth in market capitalisation (listing to 2023)

**~160**
% growth in BSE Sensex (equivalent period)

### Credit rating

Strengthened long-term credit rating ('A' in FY 2015-16 by CARE to 'AA-' (Outlook: Stable) by CARE and ICRA in FY 2021-22. ). Our short-term credit rating improved from 'A1' in FY 2015-16 to 'A1+' currently

Under-leveraged Balance Sheet; 0.32 net gearing

Empowered the Company to raise debt for long tenors at competitive rates

**Outcome**: Validation of the Company's overall competitiveness

### Brand

The Company invested ₹100.0 cr in its brands in FY 2022-23

The brands were woven around more products, features, outlets and value

The brands evolved into sustainable product platforms

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

**The robustness of our financial structure**

### Growth

The Company grew revenues from ₹1029.8 cr in FY 2015-16 to ₹2026.0 cr in FY 2022-23

This scale has generated superior economies and higher margins

These economies have translated into larger market share

**Impact**: Relatively higher profitability

### Balance Sheet robustness

The Company focused on cash flows over cash profits

Cash flows secured through controlled receivable management

Business growth achieved largely through accruals

**Impact**: Attractive credit rating; comfortably low gearing

### Depreciated facilities

The Company's two plants (Behror, Rajasthan and Nalagarh, Himachal Pradesh) are on an average 22 years old

These assets have been substantially written down

They continue to deliver a high productivity

**Impact**: Increasing Return on Gross Block

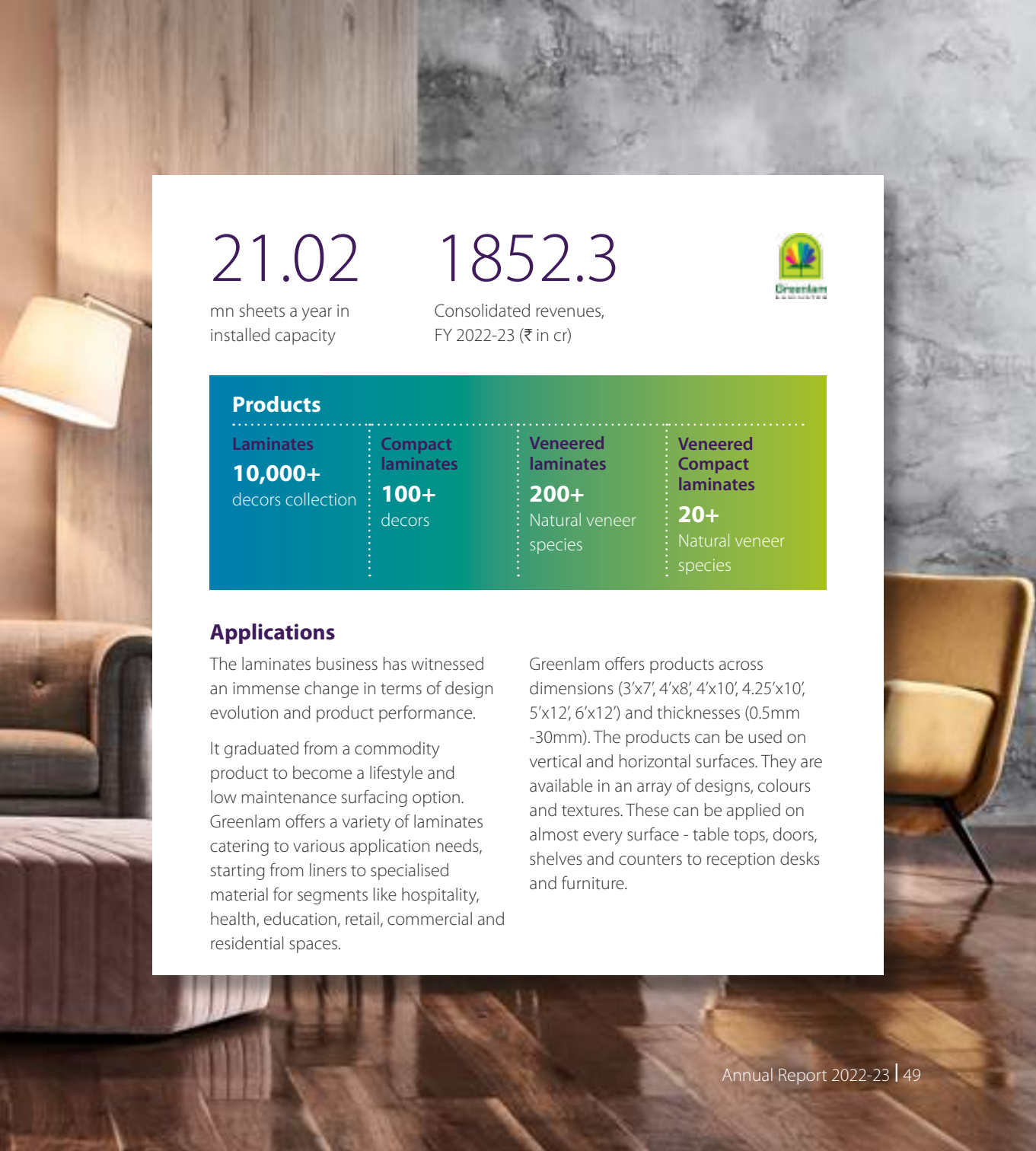
PART FIVE

# BETTERING: THE GREENLAM BRAND

# Our product categories

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

# Laminates and compact laminates



21.02

mn sheets a year in installed capacity

1852.3

Consolidated revenues, FY 2022-23 (₹ in cr)

## Products

**Laminates**
**10,000+**
decors collection

**Compact laminates**
**100+**
decors

**Veneered laminates**
**200+**
Natural veneer species

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

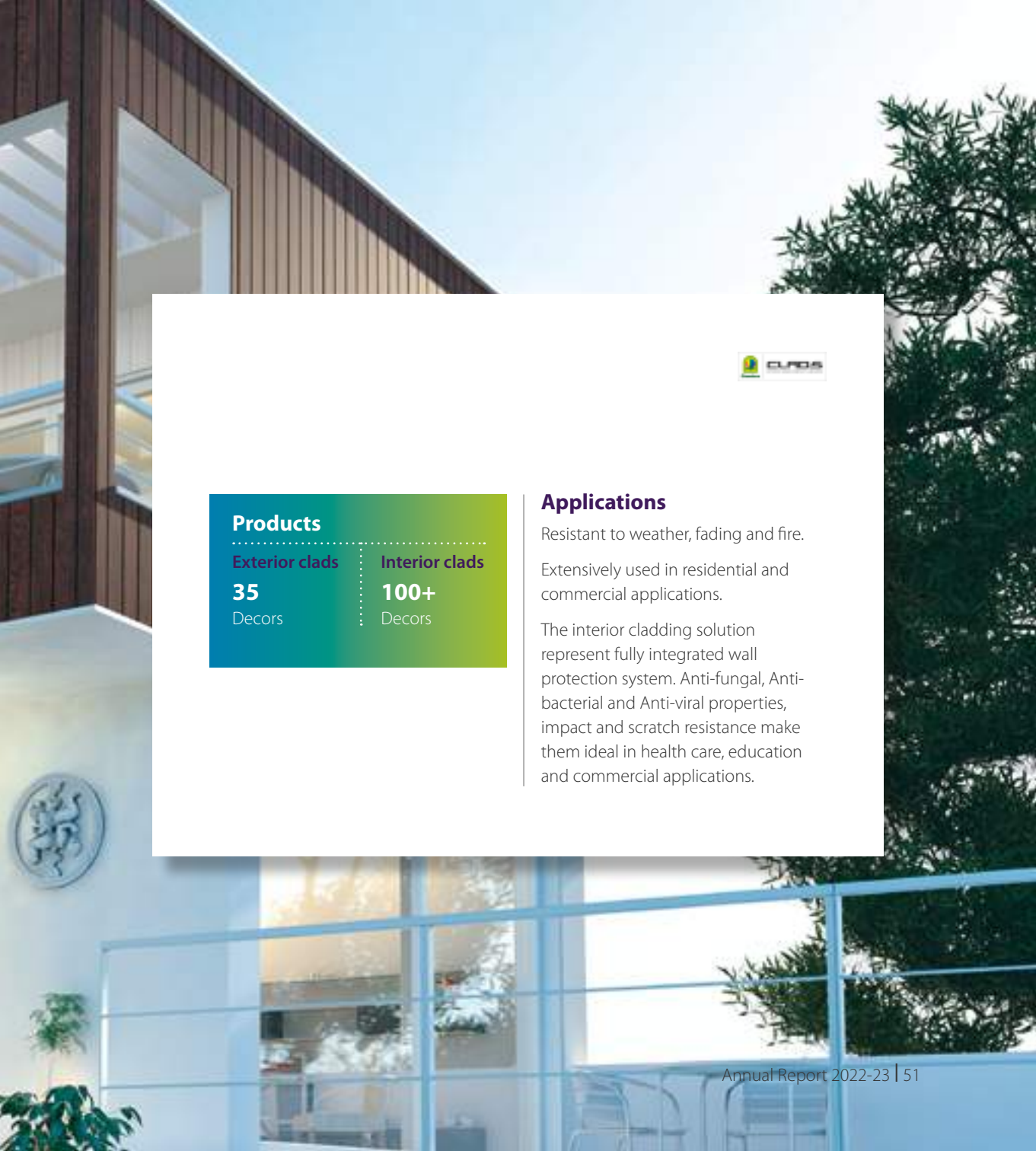
## Applications

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

It graduated from a commodity product to become a lifestyle and low maintenance surfacing option. Greenlam offers a 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 thicknesses (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

| Exterior clads | Interior clads |
|---|---|
| **35** Decors | **100+** Decors |

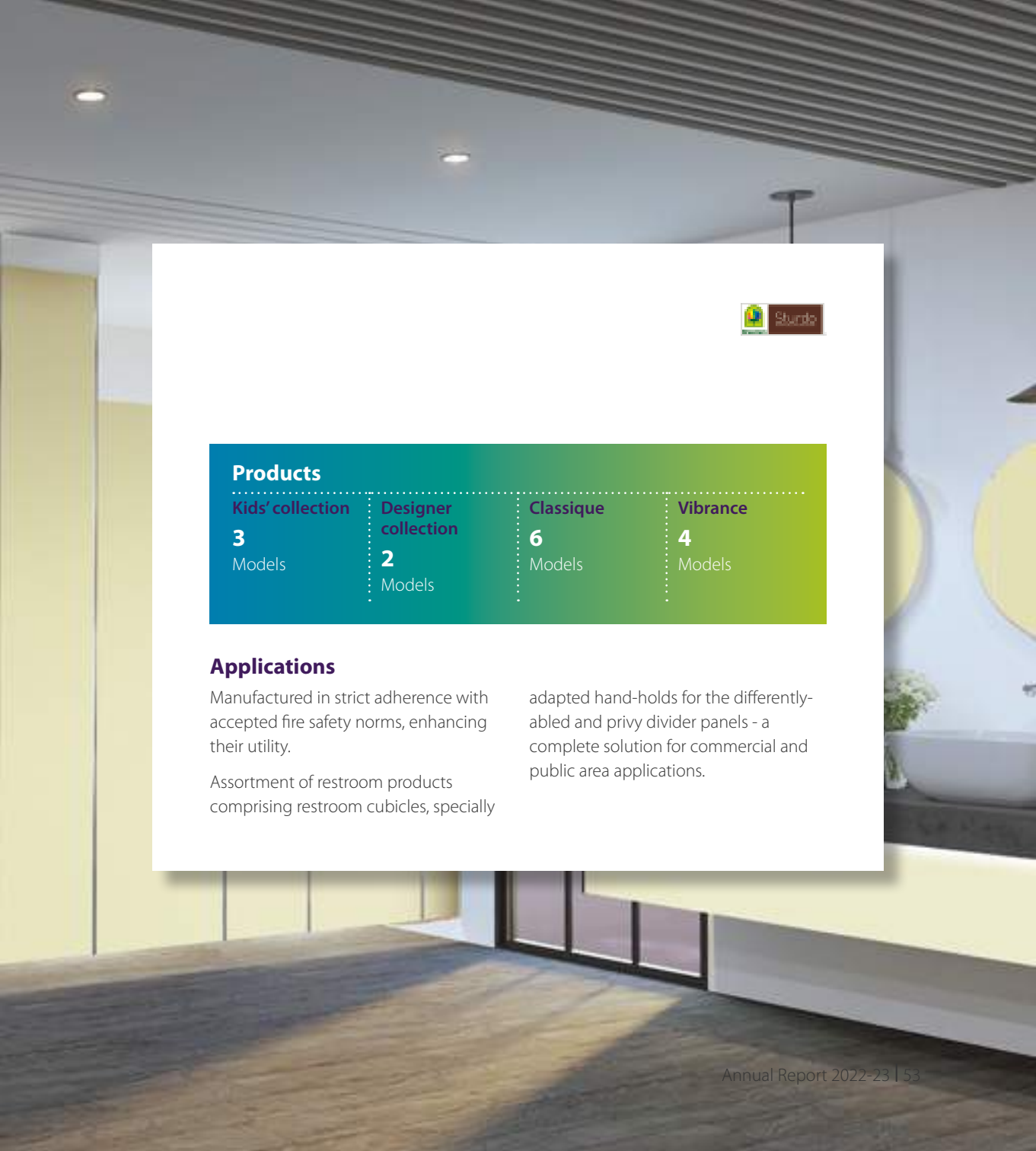
## Applications

Resistant to weather, fading and fire.

Extensively used in residential and commercial applications.

The interior cladding solution represent fully integrated wall protection system. Anti-fungal, Anti-bacterial and Anti-viral properties, impact and scratch resistance make them ideal in health care, education and commercial applications.

# Restroom cubicle and locker solutions



## Products

| Kids' collection | Designer collection | Classique | Vibrance |
|---|---|---|---|
| **3** Models | **2** Models | **6** Models | **4** Models |

## 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

MFC

2.0

mn sq. m production capacity annually

**Products**

**100+**

Decors

## Applications

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

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

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

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

# Decorative veneers

4.2

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

106.7

Consolidated revenues, FY 2022-23 (₹ in cr)

decowood
PREMIUM VENEERS
NATURAL | TEAK | ENGINEERED

## Products

**Naturals**
**360**
Varieties

**Teak**
**13**
Varieties

**Engineered**
**49**
Varieties

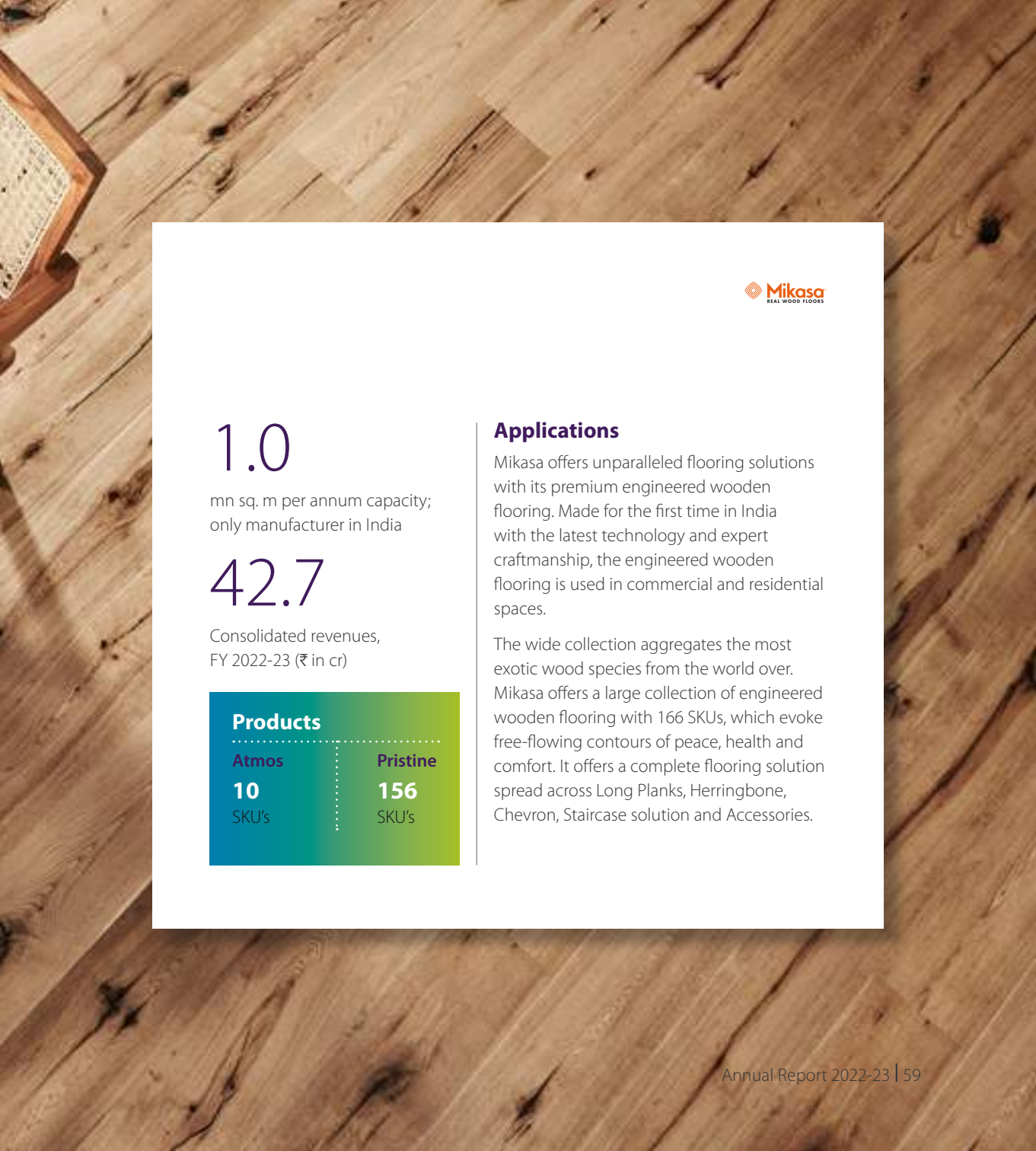
## Applications

The specification industry leads sales of this category.

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

The 'Natural collection' offers rich natural colours, intricate grain and the warmth of natural wood. Apart from natural veneers, Decowood 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 palette of woods to choose from.

# Engineered wooden flooring



Mikasa
REAL WOOD FLOORS

1.0

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

42.7

Consolidated revenues, FY 2022-23 (₹ in cr)

**Products**

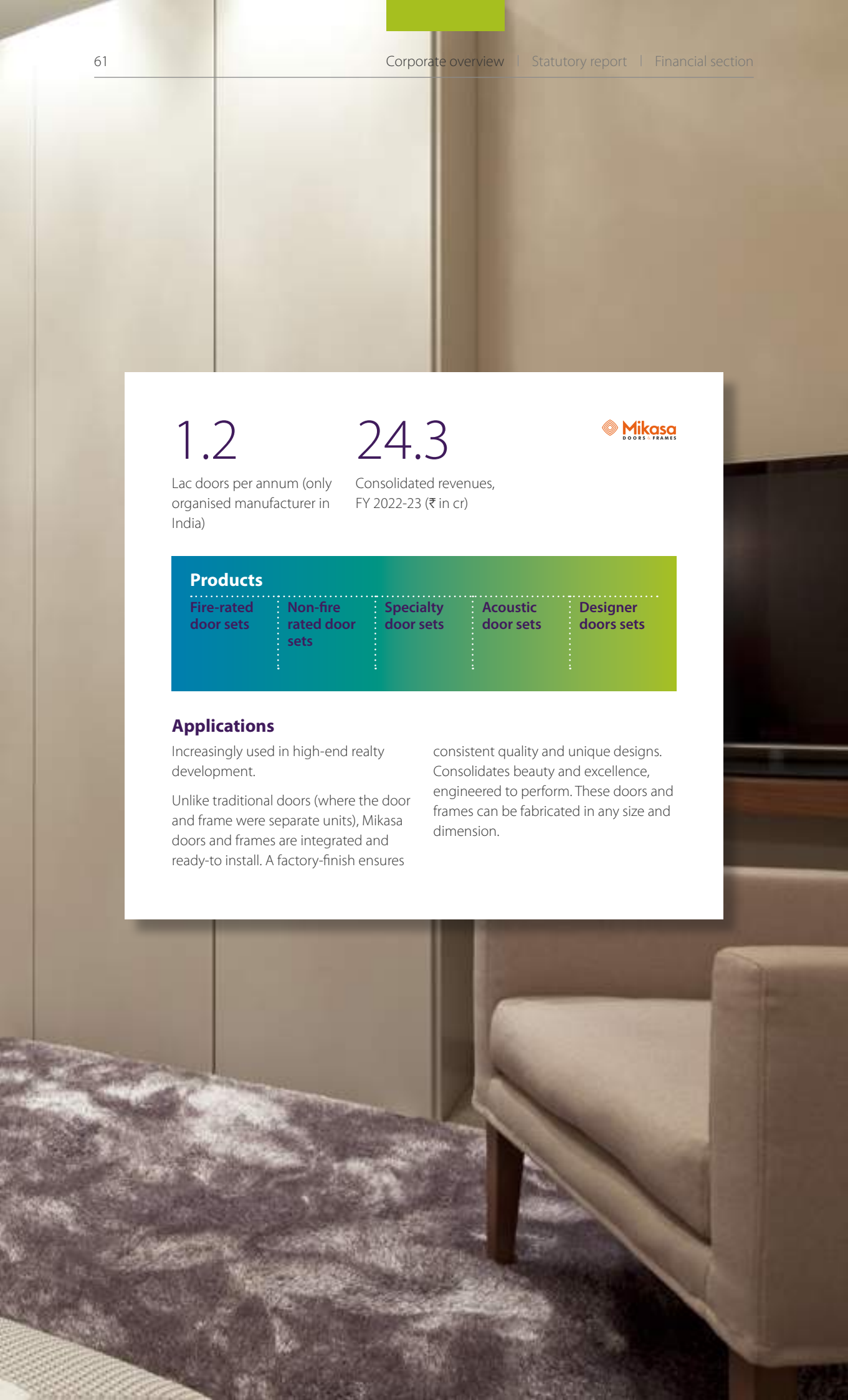
| Atmos | Pristine |
|---|---|
| **10** SKU's | **156** SKU's |

## Applications

Mikasa offers unparalleled flooring solutions with its premium engineered wooden flooring. Made for the first time in India with the latest technology and expert craftmanship, the engineered wooden flooring is used in commercial and residential spaces.

The wide collection aggregates the most exotic wood species from the world over. Mikasa offers a large collection of engineered wooden flooring with 166 SKUs, which evoke free-flowing contours of peace, health and comfort. It offers a complete flooring solution spread across Long Planks, Herringbone, Chevron, Staircase solution and Accessories.

# Engineered wooden doors & frames



1.2

Lac doors per annum (only organised manufacturer in India)

24.3

Consolidated revenues, FY 2022-23 (₹ in cr)

Mikasa DOORS & FRAMES

**Products**

- Fire-rated door sets
- Non-fire rated door sets
- Specialty door sets
- Acoustic door sets
- Designer doors 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 Brands Report for FY 2022-23

## Overview

Greenlam's biggest strength is its the brand recall - around trust, reliability and a peace of mind.

Greenlam's brand growth has been derived from quality and the assurance that 'If it is Greenlam, we don't need to worry.'

This assurance has been derived from superior manufacturing practices, resources, equipment and certifications. The consistency of these realities has ensured that the Company has evolved from a brand into a trust mark.

In turn, the strength of the brand has translated into higher growth and the consistent ability to sell more than in the previous year.

Perspective

# The Greenlam brands performance review, FY 2022-23

**Appraising the health of the most important asset on our books – our brands**

## Was the management satisfied with Greenlam's brand performance of FY 2022-23?

During the year under review, the Company was pleased with the brand performance, which was reflected in revenue growth of 18.9% on the overall, the laminates business growing 19.0%, the non-laminates business growing 18.0% and the international business accounting for 46.5% of revenues during one of its most challenging phases.

This improved performance was the result of a post-pandemic vigour that translated into enhanced brand activity, reinforce of existing collections, extension into locations and product segments with low exposure, dealer-focused retail expansion workshops (national and international) to enhance brand recall.

## What were among the creditable initiatives

Despite global market challenges owing to the Russia-Ukraine conflict and energy crisis, Greenlam's per sheet export realisation improved. This was largely due to a superior Greenlam brand assurance: that whatever was promised would be delivered on account of a robust supply chain; this supply predictability helped Greenlam emerge as a preferred alternative when competing local brands encountered delivery challenges. The result is that when consumption revived, Greenlam was at the right time and in the right places across the globe.

## What was the single biggest outperformance driver?

In one word: 'retail.' The Company altered its got-to-market approach to retail, where our strategy was directed by a volume maximization approach along with value-addition-centric sales push. There was a reason: when demand surged, the Company was quick to respond: it formulated a strategy with defined dealer activation goals; it articulated a transparent pricing policy. The result: we had near zero attrition in the dealer network during the financial year under review; more importantly, the dealer network was able to push non-premium laminate products apart from value-added products that helped recover shelf space. Besides, we recognised that this would not be enough: we intensified engagements with specifiers (architects) and influencers (contractors and carpenters) through workshops and knowledge-enriching programmes that enhanced Greenlam brand familiarity. And then we took this one step further: we invested in digital tools to enhance the consumer experience and revenues.

## How does Greenlam expect to build on this?

Greenlam is 30-year brand with the soul of a start-up. The Company is perpetually daring and pushing the frontier: through the launch of new product variants within categories and new features. The focus is always on doing something new that

keeps our trade partners – our primary customers – engaged.

In this direction, the Company made a decisive move during the last financial year: it acquired a laminates plant in Prantij (Gujarat) and is setting up a greenfield plywood unit at Tindivanam, Tamil Nadu, and a laminates and particleboard unit in Naidupeta, Andhra Pradesh. We believe that these initiatives will prove brand-strengthening during the current financial year, which will encourage our trade partners to churn larger quantities because of our proximity and responsiveness. This will strengthen our brand, visibility and revenues. Besides, we enjoy a presence in 100+ countries and even a moderate increase in revenues from each geography should translate into sizable growth for our Company.

## How else with the proposed expansion strengthen the Greenlam brand?

**One**, it will send out a message that we are progressive; the fact that we are putting our money into new plants and products is sending out an unmistakable signal across our trade partners that we intend to fill their shelves with more Greenlam products that could translate into wide revenue-enhancing opportunities.

**Two**, the expansions will provide our trade partners with the pride of taking an international brand into the under-penetrated locations of the country.

**Three**, the wider portfolio will position Greenlam deeper as a progressive solutions-driven brand offering all surface and substrate products at a single location – enhancing convenience for their customers in turn.

**Four**, the wider portfolio will facilitate product cross-sale, optimizing brand spend efficiency.

## How did the Company's brand deepen its relevance in the last couple of years?

The last couple of years have been marked by currency disruptions. A number of Greenlam customers in Sri Lanka were not able to pay through the usual route as that country's banks did not possess adequate forex reserves. Greenlam responded to this with speed and sensitivity: the Company altered payment terms that ensured business continuity even as for other international customers, exports were addressed following advance payment. While European players moderated production, Greenlam widened its market presence on account of a protected supply chain, competitive pricing and benchmarked quality. The result is that at a time of volatile trade conditions, Greenlam generated ₹942.2 cr of revenues from the international business, accounting for 46.5% of its overall revenues. The result of this proactive responsiveness is that Greenlam perceived opportunity when competing players selected to stay away and now that the markets have opened wider, the Company is positioned to capitalise effectively.

The Greenlam brand is recognised across the world as an Indian MNC that can adapt to local markets with ease. While most companies treat exports as a secondary business, Greenlam took a contrarian approach by putting its export presence at par with its domestic, positioning the Company as a serious perennial and consistent international player.

The Company customised its approach corresponding to the markets of its presence and the result is that despite the global slowdown, the Company enhanced export realisations and reinforced the supply chain. This achievement demonstrates the Company's mature competence in managing diverse markets without compromising the brand identity.

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

Greenlam's growth expectation is based a number of factors: India has surpassed China as the most populous nation. The Indian real estate market is expected to reach a value of US$ 1 trn by 2030. This will, in turn, drive the demand for Indian furniture. India is one of the youngest countries in the world with 65% of its population under the age of 35. These three factors are likely to play a decisive role in brand growth as more of the nation's youth enter the workforce and graduate to an aspirational lifestyle standard

This outcome has already come into play; there is a noticeable shift in the price-sensitivity of Indian consumers. The focus is no longer on finding the lowest-priced product. Instead, consumers are seeking the best price-value proposition across all price ranges. They are willing to pay a premium for superior products, recognizing that the cost of improving the aesthetics of their homes or offices is relatively insignificant compared to the cost of acquiring the space itself. This change in consumer mindset has created a significant opportunity within the country's interior infrastructure sector.

(Source: Business Standard)

# This is what we put into our brands

### Positioning
Leadership in terms of quality, distribution network, influencer appeal, consumer acceptance, global appeal and responsible certification.

### Price-value proposition
Preferred brand, offering a greater value over the price paid, deepening a 'value for money' proposition

### Convenience
Enhanced consumer convenience through aggregate portfolio availability

### Cross-buy
Diversified portfolio; offering a wide choice within categories and expanding categories thereafter

### Futuristic
Offer durable products and trendy designs cum finishes, enhancing the presentability of interiors

### Pioneered
Introduce pioneering products; established new price range; widened products accessibility and affordability

### International
Leverage global presence to manufacture around global standards; present in 100+ countries

### Range
Offered products for premium and price-sensitive consumers, a price-based consumption journey

### Families
Evolved standalone brands into families (product extensions) into downstream solutions (kitchen worktop solution).

### Expansion
Evolved from surface to substrate products addressing complete interior infrastructure needs.

**Our brands portfolio**

Greenlam Industries Limited

NEW MIKA

CLADS

Sturdo
RESTROOM CUBICLES & LOCKERS

MFC

decowood
PREMIUM VENEERS
NATURAL | TEAK | ENGINEERED

Mikasa
REAL WOOD FLOORS

Mikasa
DOORS & FRAMES

# This is what we generated from our brands

### Leadership
Greenlam holds the leadership position in India's organised laminates market (estimated market share >15%) and the third largest global laminates company

### Benchmark
The Company has established itself as a benchmark in interior surface products

### Balance Sheet
The Company's competitiveness is reflected in its Balance Sheet: pre-expansion net debt of ₹110.4 cr, net gearing of 0.11 (without considering capital employed in new projects) and revenues of ₹2026.0 cr in FY 2022-23.

### Revenue growth
Greenlam has grown revenues in 8 years out of last nine years; its revenues grew 118.9% between the terminal year ending FY 2022-23.

### Margins
Greenlam enjoys attractive blended margins (across all businesses). It strengthened EBIDTA margins by by180 bps from 9.7% in FY 2014-15 to 11.5% in FY 2022-23

### Terms of trade
Greenlam receivables declined from 72 days of revenues equivalent in FY 2014-15 to 26 days in FY 2022-23; working capital as a proportion of total revenue declined 530 bps to 19.2% during the year under review.

### Brand productivity
Greenlam revenues per rupee of brand spending increased from ₹19.2 in 2014-15 to ₹20.3 during the year under review

# This is how we are taking our brand ahead

**Presence**
Greenlam is now more pan-Indian than ever – a plant in West, two in North and two in South India

**Wider**
Greenlam is positioned to expand into new product segments while increasing its production capacities in existing categories

**Broadbased**
Greenlam expects to diversify its product portfolio beyond laminates

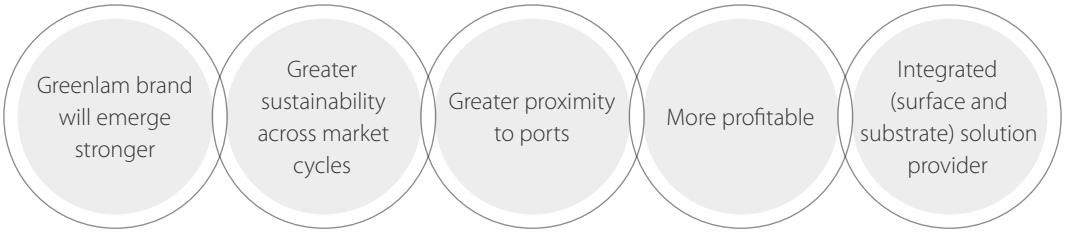
**Solution**
To graduate from standalone surfacing products provider to an integrated (surface and substrate) solution provider

**Wallet share**
Greenlam will account for a larger share of the trade partner's shelf space by the virtue of being able to provide a wider range of products

**Margins**
Greenlam expansions will be closer to ports, resource providers and customers

**Spending**
Greenlam will continue to invest in brand spending for its existing and expanded product portfolio

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



# Our brands investment and performance in numbers

## Sizable brand power

**298.1**
₹ cr, Greenlam's brand investment in the five years ending FY 2022-23

**100.0**
₹ cr, Greenlam's brand investment in FY 2022-23

## Structured brand spending

**5.2**
% of revenues invested in the Greenlam brand, FY 2014-15

**4.9**
% of revenues invested in the Greenlam brand, FY 2022-23

## Brand productivity

**1.9**
₹, EBIDTA per rupee of brand spending, FY 2014-15

**2.3**
₹, EBIDTA per rupee of brand spending, FY 2022-23

# Greenlam can be found in prominent global locations

**Thailand**

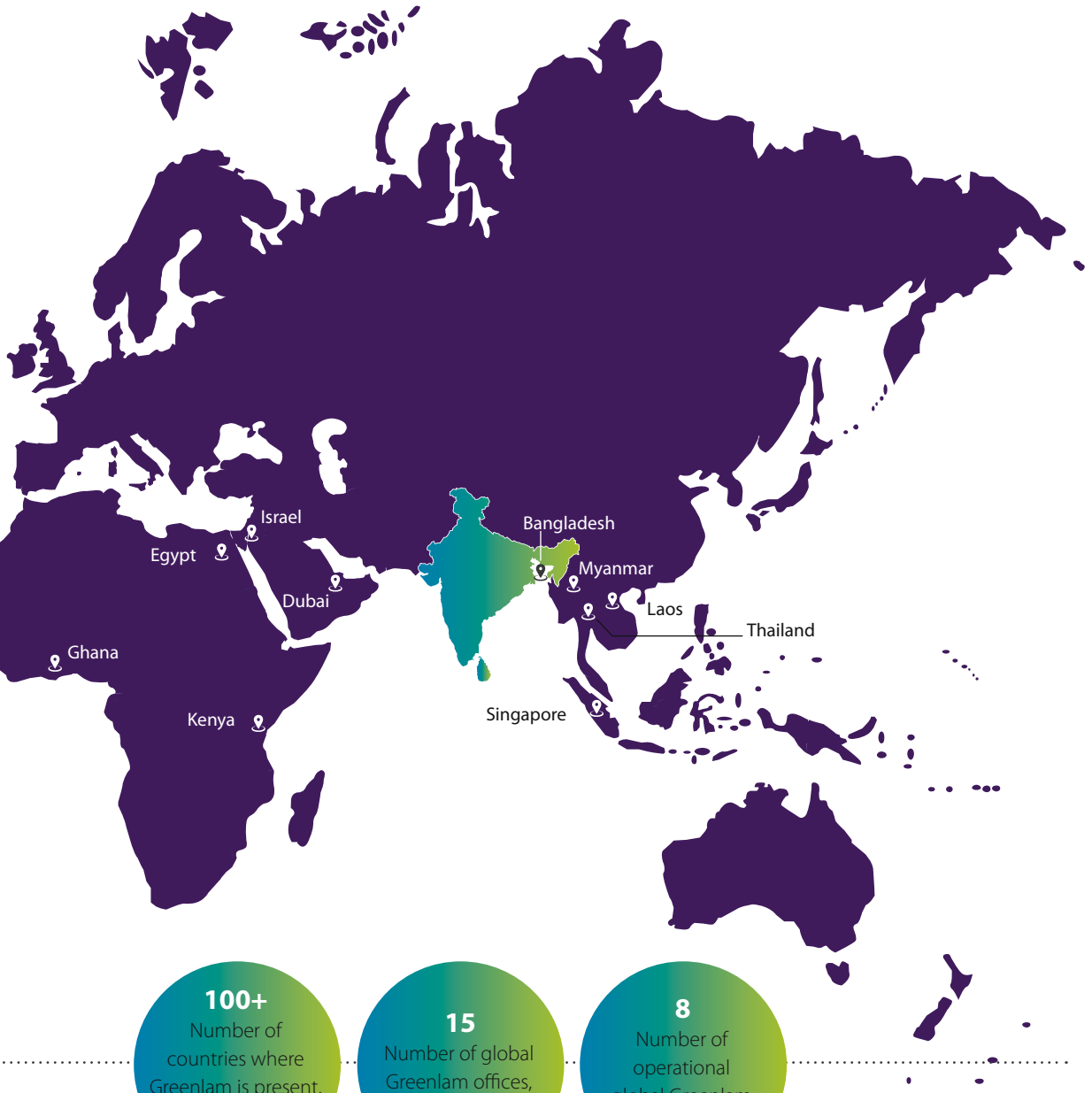
- Hotel Richmond
- Dusit Thani
- Pullman
- Hotel Holiday Inn
- Burger King
- KFC
- McDonald's
- Chester Grill
- BTS Skytrain
- Centrara Hotel
- Mercure Rayong
- President Solitaire
- 7-eleven
- The Mall
- Central
- Paragon
- Lotus
- Foodland
- Robinson
- Terminal 21
- Bangkok Hospital
- Kasemraj Hospital
- Thepprathan 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
- Chaig Mai 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




**100+**
Number of countries where Greenlam is present, FY 2022-23

**15**
Number of global Greenlam offices, FY 2022-23

**8**
Number of operational global Greenlam subsidiaries

- 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

**USA**
- Bed Bath & Beyond,
- AT&T
- Children hospitals of Philadelphia
- Greg Norman stores
- Hialeah Hospital, Miami
- Carnival cruise

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

"Completely above board"
"A brand we can trust"
"Engaged in transparent corporate practices"
"It ideals with us in a friendly cum professional manner"
"Affordably priced with good quality"

Business analysis

# How Greenlam strengthened its marketing and sales outcomes

## 3 challenges we encountered in FY 2022-23

## The big picture of what we achieved in FY 2022-23

## Overview

With ever-evolving consumer preferences and shorter lifespans of design collections, there is a premium on companies like Greenlam to fresh products with unique attributes in contemporary ways, leading to increased popularity. At Greenlam, we believe that this warrants a commitment to evolution and staying ahead of the market curve.

Following the pandemic there was a growing demand from the residential and commercial segment. To address growing demand, the Company enhanced brand activity and recall to enhance offtake.

The result is that during the year under review, the Company maintained its leadership position as one of the most visible brands. The Company sustained launches and re-launches, revitalizing revenues and laying the foundation for the next growth round.

## Our strengths

**Brand**: The Company built its recall around its corporate brand for integrity, quality and service.

**Portfolio**: The Company regularly upgraded the portfolio around the latest designs and innovation. These additions enriched the Company's products range, providing customers with wider options and reinforcing Greenlam's brand presence.

**Spending**: The Company's brand was strengthened through continuous investment, increasing consumer traction (for the Company) and value proposition (trade partners).

**Collections**: The Company responded to customer demand, changing preferences and evolving trends through the introduction of collections and categories across product brands, protecting its relevance.

**Approach**: The Company invested in digital technologies to enhance brand visibility and customer experience.

**Relationship**: The Company strengthened its relationship with influencers (contractors and carpenters) and specifiers (architects and interior designers) through programmes and workshops. The Company has been regularly conducting various interactive sessions with specifiers, influencers and channel partners throughout the year both domestically and internationally.

## Highlights, FY 2022-23

The Company revamped its Greentouch and NewPoint 8 collection

It launched various display showrooms

It widened its footprint to urban clusters (with a population of 50,000 or more)

It introduced a digitalised shade card that can be accessed through a QR code

It increased channel partners to 23,000+

It launched a second Greenlam Experience Centre (GEC) at Ahemdabad (the 1st GEC at Kolkata).

### Outlook

The Company will seek ways to premiumise the brand and enhance customer experience.

Business analysis

# How Greenlam strengthened its international laminates business

## 3 challenges we encountered in FY 2022-23

## The big picture of what we achieved in FY 2022-23

## Overview

What makes Greenlam different among Indian laminate manufacturers is the Company's significant export personality. In most laminate companies, exports would have been a secondary part of the business, the primary being reserved for India. Besides, the export side of the business would have been positioned to allocate the surplus from India into select markets. Greenlam has been a contrarian in this regard, putting its export presence at par with its domestic, positioning the Company as a serious perennial and consistent international player.

There are a number of ways in which the Company's international presence has been guiding its domestic presence (and not the other way around). The Company's multi-country presence (in excess of 100) provides a deep insight into global demand and style trends that influence the Company's portfolio in India. This broad-based footprint empowered the Company to spread its risk across dozens of markets, a hedge against unforeseen demand changes in one or few.

What Greenlam has brought to this strategic direction is a tactical differentiator. While it would have been usual for the Company to micro-manage its global presence from India, it did the reverse: it grew teams within markets and decentralised its international presence down to the respective geography. This made it possible for the business to be customised completely – through products, people and decisions essentially - around global terrains translating into a localised identity, customised decisions and responsiveness.

This sustained internationalisation was evident in the Company's revenues of FY 2022-23: 46.5% of the Company's revenues were derived from international sales (49.4% in FY 2021-22). International revenues grew 11.9% during the year under review compared with the Company's domestic sales growth of 25.8%. The Company retained its position as the largest laminate exporter from India. The Company worked out of 8 operational global subsidiaries and employed over 130 people outside India, enhancing its operating effectiveness.

## Challenges and counter-initiatives

As the effects of the pandemic subsided, the Company was affected by global armed conflicts, which had the following impact on exports.

- There was a hesitant mood among European consumers to invest in their interiors, affecting the offtake of laminates
- The economic vulnerability and slower demand impacted realisations on the one hand and increased fuel costs on the other
- There were currency challenges in some economically vulnerable countries where the Company held back on sales

Greenlam responded to this challenging environment by leveraging a complement of national, sectorial and corporate advantages.

- The Company built around the foundation of competitive manufacture within India, a country that remained largely insulated from the fuel price shock affecting much of the world
- The Company capitalised on an increased traction for Indian products on account of supply

stability, consistent quality and an alternative laminates supply destination

- The Company sustained engagements with trade partners and consumers through its country-specific teams, enjoying a pulse of the market

## Strengths

The Company built on the following competitive realities:

- Its advantage of scale, derived from its position as the world's third largest laminates manufacturer
- Its one-stop proposition, manufacturing laminates for residential, commercial, interior and exterior applications
- Its global offices being managed by employees drawn from the local terrain, indicating the Company's willingness to adapt to diverse cultures
- Its extensive footprint (Europe, Africa and Asia), marked by a direct presence in more than 100 countries
- Its network of four overseas warehouses, shrinking the turnaround time in responding to changes in demand patterns
- Its superior price-value proposition, marked by products benchmarked with global quality standards at competitive realisations.

## Performance highlights, FY 2022-23

- The Company maximised sales of premium laminates, strengthening value-addition and capital efficiency
- The Company extended its laminates offerings into new segments
- The markets that weakened began to stabilise and improve from March 2023 onwards, indicating that the worst was possibly over
- The Company generated sizable laminate revenues from Europe and Africa; besides, it generated attractive revenues from components, compacts and high pressure laminates

## Outlook, FY 2022-23

The global decorative laminates market was US$ ~8 bn by revenue in 2021 and is expected to grow at a 4.55% CAGR to reach US$ ~10 bn in 2030, catalysed by housing market recovery and increased home construction. Besides, the offtake of laminates is expected to be driven by furniture and flooring budgets, larger residential spaces, improved lifestyles and urbanization. As a globally dispersed player, Greenlam is attractively placed to deepen its market and capitalise.

## Big numbers

**100+**

Number of countries of Greenlam's presence

## What our management feels

"When the world was affected by weaker cross-border trade, Greenlam turned its attention to premium laminates, a segment that bore less of the market brunt. By the close of the last financial year, it appeared that the worst was over and the market had stabilised. Going ahead, the Company will resume its focus on the commodity end of the business, build volumes and recover shelf space. The combination of volume and value is expected to drive the Company's export profitability."

## International performance, FY 2022-23

- Built on its position as the world's third largest laminates brand
- International revenues grew 11.9%
- Deepened its presence in value-added laminates
- Protected its presence across America, Africa, Asia and Europe

## How we grew our business

- Procured resources > Supplied global warehouses with end products > Capitalised on a demand revival
- Prospected currency-challenged countries cautiously > Leveraged the supply chain > Grew the international business in FY 2022-23

## Big numbers of our achievements

**Growing international laminate business revenues**

| 454.0 | 936.5 |
|---|---|
| ₹ cr, FY 2015-16 | ₹ cr, FY 2022-23 |

**International laminate revenues as % of revenues**

| 44.1 | 46.2 |
|---|---|
| FY 2015-16 | FY 2022-23 |

## Our laminate sizes and applications

**0.7mm**
Application: Liners

**0.8mm**
Application: Liners and low-cost furniture

**1mm**
Application: Panel, furniture, wardrobe and kitchen shutters

**1.5mm** and above
Application: Customised

## Our certifications

Forest Stewardship Council (FSC): An international not-for-profit organization 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.'

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.

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

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

benefits of buying and selling certified products.

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

**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.

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

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

**Green Label**: Administered by the Singapore Environment Council (SEC) since 1999, the Singapore Green Labelling Scheme (SGLS) is Singapore's leading environmental standard and certification mark with over 3800 unique products certified across 43 countries. The scheme aims to help the public identify environmentally preferred products that meet certain eco-standards. The Singapore Green Label is a Type 1 Ecolabel. It addresses the main environmental impacts of a given product and places limits for compliance in order to reduce these impacts

**Greenguard**: The Greenguard Environmental Institute, or GEI, is an industry-independent, third-party, non-profit organization that offers three product certification programs and one building certification program. The Greenguard Environmental

Institute was established by Air Quality Sciences. When a product bears Green guard certification, it meets strict chemical emissions limits and has been tested for more than 10,000 chemicals. Green guard certifications indicate that a product is safe for indoor use.

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

**GRIHA**: Green rating for integrated habitat assessment is one of the Green Building Rating Systems of India. GRIHA is India`s National Rating System for Sustainable Habitats. GRIHA is a rating tool that helps assess the performance of buildings against certain nationally acceptable benchmarks. The certification evaluates the environmental performance of a building holistically over its entire life cycle, thereby providing a definitive standard for what constitutes a 'green building'.

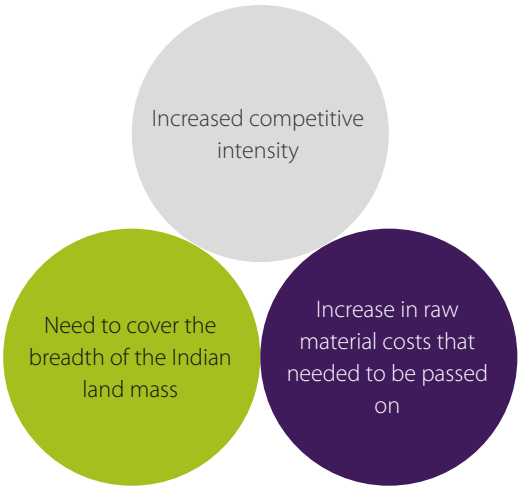
**GREENPRO**: is a product certification awarded by IGBC (Indian Green Building Congress). It is based on credit modules like Product design with respect to customer benefit and sustainability, Product Performance on VOCs, Toxicity, Absence of Hazardous chemicals, Raw Materials sourcing –Regional materials, recycled inputs, substitutes to synthetic chemicals etc. Manufacturing process excellence-Energy, Water, Genuine chemical inputs, Waste management, Occupational health & safety practices, Quality system and so on, Life Cycle approach-Greenhouse gases reduction and drives. Publishing ESG data etc. The benefits- Supports inclusion of the certified products to complement National & International Green Building Rating systems and it is internationally recognised and Green Ecolabelling Network which is one of the premium world class benchmarked product certification.

**REACH compliance**: Registration, Evaluation, Authorization and Restriction of Chemicals compliance deals with the regulations that were created to improve the environment and protect human health. Greenlam has always maintained and certifies compliance to REACH. The products are free from Lead, Arsenic, Chromium, Mercury and Free Melamine.

Business analysis

# How Greenlam reported a breakout year in its Indian laminates business in FY 2022-23

### 3 challenges we encountered in FY 2022-23




### The big picture of what we achieved in FY 2022-23

## Overview

Following the pandemic, there was a fundamental shift in the character of the Indian laminates market: a willingness for people to live better translated into home refurbishment; consumers graduated to the use of superior laminates quality; there was a decline in price-sensitivity as the market evolved from *'sab se sasta'* (cheapest) to *'sab se achcha'* (best).

Greenlam capitalised on this transition in consumer sentiment: The business reported 15.6% growth in volume, 25.1% increase in revenues during the year under review.

## Challenges and counter-challenges, FY 2022-23

The challenges encountered by this business comprised the following: competitive intensity threatening realisations; demands for longer credit tenures affecting terms of trade with trade partners; the need to moderate logistics costs from manufacturing locations to consumption points; the need to plug white space across the national geography with representatives; the need to integrate the use of advance softwares into operations and launch new products that enhanced trade interest. The Company responded to these realties with a range of counter-initiatives described in the following paragraphs. The effectiveness of the counter-responses translated into one of the highest percentage growth rates (when compared across normalised performances) in five years.

## Achievements, FY 2022-23

The Company accounted for >15% share of an organised laminates market in India estimated at around ₹6000 cr. The Company reported a 25.1% growth in laminate revenues to ₹915.8 cr.

**The Company protected its financial hygiene**: The fact that the Company reported an appreciable increase in revenues while maintaining trade discipline indicates product quality and brand strength.

The Company countered intense competition by emphasising the quality of its product cum service. The result was that the Company reported increased per sheet realisation and an increase in sales quantum depending on the sheet being marketed.

The Company strengthened the quality of trade engagement through enhanced training to its field staff in product characteristics and behaviourial aspects; besides, the Company strengthened performance incentives coupled with wider territory responsibilities.

The Company acquired a laminates plant in Gujarat during the last financial year. The plant focused on a product niche – 0.7mm and 0.8 mm thickness laminate sheets. By focusing its capacity to this niche, the Company sent out a message of its long-term commitment to grow this application. In turn, this attracted trade partners who were now assured of a consistent and customised product supply. The plant also provided the Company

with a footprint in Western India, helping shrink logistics costs and time to the largest consumption zone of the country. The Company is setting up a greenfield laminates unit in Naidupeta, Andhra Pradesh, strengthening trade confidence further.

The Company strengthened its operation efficiency through the integration of the Customer Relationship Management and Dealer Management System, strengthening supply chain engagement at one and customer engagement at the other. The Company filled retailer shelves faster than unorganised competitors.

The Company widened and deepened its terrain coverage through the increased engagement of dealers in under-represented geographies during the last financial year; in turn, this helped the Company enhance retail presence to over 23,000 by the close of the last financial year. This wider footprint empowers the Company to capitalise more effectively on demand upturns across the country; it empowers the Company to intensify trade partner engagements and reach clusters of a population size of at least 50,000.

The Company launched a large and value-added laminate sheet (4 ft x 10 ft) introduced for the first time in India, addressing the needs of premium customers. Similarly, the Company widened the Satin portfolio, a value-added matt finished laminates and the Company also re-inforced anti-fingerprint AFX range introducing more pastel colors. The introduction of these varieties helped premiumise the Company's product mix.

The Company strengthened its sales and market team; it created multiple marketing clusters and sales offices with designated geographic focus areas. This expansion was in line with the Company's focus to extend beyond the urban to Tier 2 and 3 geographies. The Company prudently increased marketing spend while increasing the number of digital tools on offer. When consumers began to demonstrate a lower price-sensitivity, the Company strengthened its presence and portfolio with a product across every price point.

## Strengths

The Company capitalised on the overarching Greenlam brand, marked by the advantages of scale, variety, quality and ethical trade practices. These attributes translated into a superior price-value proposition, market share and product for every pocket. Besides, the Company enhanced trade confidence with a ten-year warranty.

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

The business manufactures compact cubicles which are in great demand in India's health care sector, due to their antifungal, anti-bacterial and anti-viral characteristics.

The Company's laminates were globally certified (FSC, PEFC, ISO 14001 and OHSAS 18001; ISO 9001, CE, NSF, SEFA, Greenlabel, Greenguard, Greenpro, GRIHA, NEMA (US and BS) and SEDEX).

## Outlook

The Company expects to grow domestic laminate revenues, riding on the complete year-round availability of the Gujarat laminates plant and the commissioning of the Naidupeta, Andhra Pradesh plant from the second quarter of FY 2023-24.

The Company intends to deepen engagements with trade influencers and specifiers (carpenters, architects, interior designers and channel partners), increase the proportion of premium laminates in its portfolio, enhance social media visibility, enhance trade confidence through the use of the QR code on products.

The Company will explore widening applications, enhancing the use of laminates in the fabrication. There is also a preference for the use of Greenlam's compact cubicles on account of their lower construction load, easier dismantling, negligible structural damage and lower water consumption.

The complement of these initiatives is expected to find new markets for the increased production coming out of the Gujarat and Naidupeta plants.

## What our management feels

"Greenlam's laminates business is poised at the cusp of a leap. Even as the organised laminates sector in India is growing attractively, Greenlam's laminate business grew 19.0% in FY 2022-23 and is targeted to grow significantly during the current financial year. This sustained outperformance is the result of the Company placing a decisive bet on the future: through the acquisition of a Gujarat plant dedicated to the manufacture of laminates and a green field Naidupeta plant from the second quarter of the current financial year. The result is that the Company shall expand its laminate capacity by almost 60% in the span of one year and the result of this investment is likely to be visible from the current year onwards."

## Big numbers of our achievements

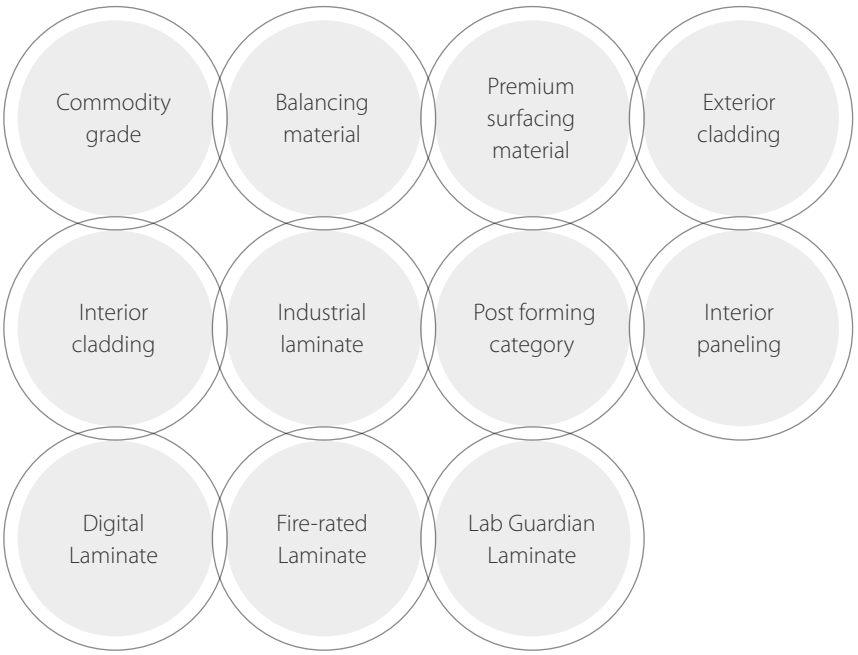
**Growing domestic laminate business revenues**

| 436.4 | 915.8 |
|---|---|
| ₹ cr, FY 2015-16 | ₹ cr, FY 2022-23 |

**Domestic laminate revenues as a % of revenues**

| 42.4 | 45.2 |
|---|---|
| FY 2015-16 | FY 2022-23 |

## Our laminate products portfolio



# NewMika

## Overview

NewMika offers decorative laminate sheets that have multipurpose applications from reception desks in offices to kitchen cabinets and table tops in homes. Over the years, the brand has become renowned for its bold colours, eclectic textures and new age designs.

In recent times, New Mika adopted an approach akin to that of an FMCG company, with a comprehensive permanent journey plan drawn.

To counter competition, the Company accelerated dealer engagements, streamlined sales processes and enhanced trade partner confidence.

## Highlights, FY 2022-23

The Company's New Mika reported steady growth y-o-y.

The Company has a strong pan-India trader network

The Company increased engagements with architects

The Company witnessed a robust y-o-y growth in its value-added product realisations

85% revenues were generated from the retail segment.

Entered new markets like Jammu & Kashmir, Leh-Ladakh and North East.

Channel Partners trust was manifested in no regret attrition

A first-of-its-kind knowledge programme was conducted in Almaty (Kazakhstan), followed by the second season in Cairo. These events were attended by prominent specifiers from those geographies.

## New collections

- NewMika 1mm Raso & Super MAR collection
- NewMika FX
- NewMika Superliner
- NewPoint 8 FY 2023-24 collection

## Laminates and allied segment

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

**Installed capacity**: 19.02 mn sheets per annum (as on March 31, 2023)

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

**Production during FY 2 022-23**: 17.40 mn sheets

**Production growth over FY 2021-22**: 3.7%

**Capacity utilisation**: 99%

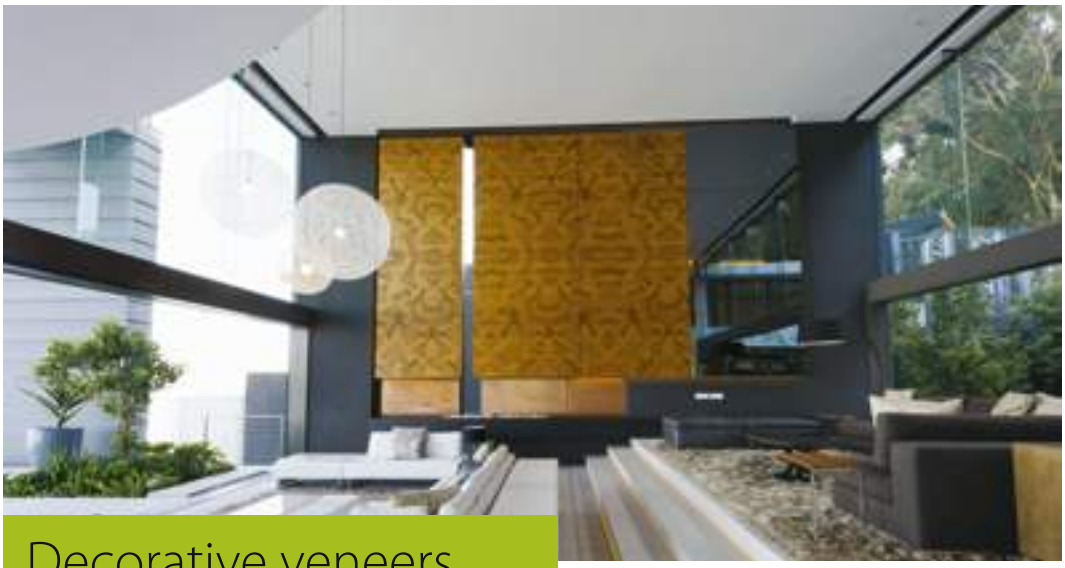
**Sales volume, FY 2022-23**: 17.04 mn sheets

**Sales volume growth over FY 2021-22**: 3.1%

**Revenues, FY 2022-23**: ₹1852.3 cr

**Segment contribution to total revenues, FY 2022-23**: 91.4%

**Revenue growth, FY 2022-23**: 19.0%



# Decorative veneers

## Overview

Despite accounting for a fragmented market, the organised sector witnessed traction due to growth in disposable incomes, higher lifestyle standards and growing real estate demand. By 2025, the real estate sector is expected to account for 13% of India's GDP and reach a US$ 1 trn market size by 2030. This growth is attributed to growing demand in retail, hospitality and the commercial real estate segments.

As one of India's largest veneers manufacturers, Greenlam has an installed capacity of 4.2 mn square meters per annum and is well-placed to address the demand in this segment. The Company leverages its 20-year long expertise in the manufacturing of veneers. It enjoys strong recall and positive recommendations from industry influencers and experts. It offers a diverse selection of veneers, including natural veneers, teak veneers and engineered veneers. It leverages its extensive distribution network and robust logistics infrastructure to enhance products availability.

The Company aims to increase its revenue using digital methods of online selection of veneer. The Company plans to reinforce its product range, aiming to expand offerings in line with evolving customer needs. The Company is committed to enhancing its trade partner network, ensuring strong relationships and support for distribution channels.

## Highlights, FY 2022-23

The Company achieved 15-20% topline through digital channels

It created showrooms and display centres for customers

It relaunched dyed veneer series around new designs

Its digital selection sales gained momentum

It opened 50 display centres for retail customers

It deployed a 140 member sales team pan-India, one of the largest in the industry

It launched a new collection of veneers called Rainbow

It enhanced penetration in Tier-II and Tier-III cities through stronger trade partner relationships

## Engineered decorative veneers segment

**Manufacturing facilities**: Behror, Rajasthan

**Installed capacity**: 4.2 mn square meters per annum

**Brand**: Decowood

**Production during FY 2022-23**: 1.24 mn square meters

**Production growth over FY 2022-23**: 11.5%

**Capacity utilisation**: 29.0%

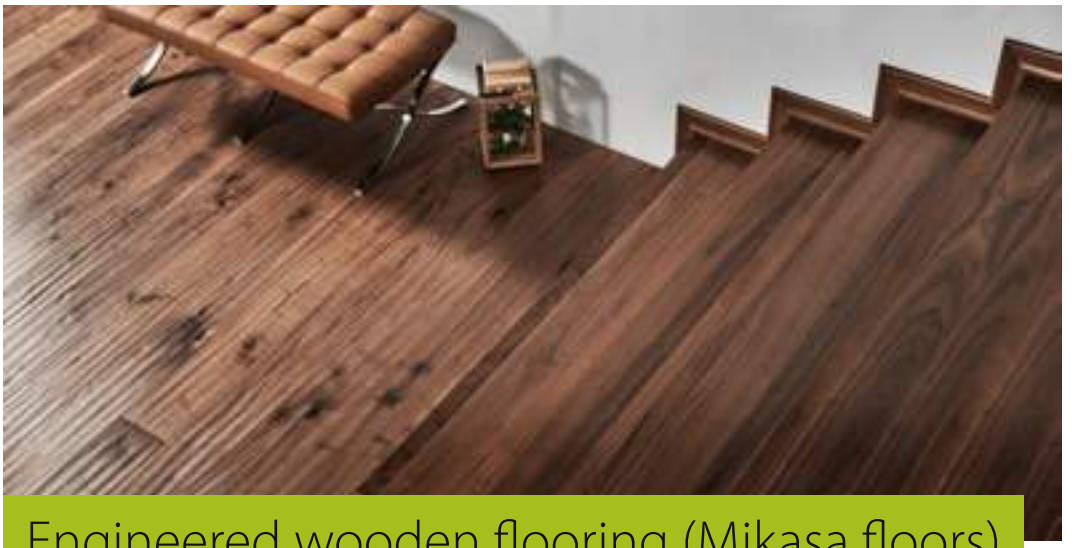
**Sales volume, FY 2022-23**: 1.21 mn square meters

**Sales volume growth over FY 2021-22**: 11.4%

**Revenues, FY 2022-23**: ₹106.7 cr

**Segment contribution to total revenues, FY 2022-23**: 5.3%

**Revenue growth, FY 2022-23**: 27.5%



# Engineered wooden flooring (Mikasa floors)

## Overview

The Indian wooden flooring market is set to grow at a compound annual growth rate (CAGR) of 4.4% between 2022 and 2030, with a significant boost coming from the expansion of the premium residential and commercial property segments.

The Asia-Pacific region is the fastest-growing market, influenced by urbanization, real estate development and the growing demand for tropical wooden flooring. The market is also being driven by the emergence of the middle-class and evolving attitudes towards home decor.

Greenlam is the sole manufacturer of engineered wooden flooring in India.

Mikasa floors introduced Collection 2022 with two new products – Arte and Weathered. The Company offers 166 SKUs, which is the largest offering for wooden flooring in the country.

## Highlights, FY 2022-23

The Company shifted its focus towards growing the retail chain

It engaged in building a wider dealer network

It participated in various exhibitions

It implemented transparent pricing practices, enhancing dealer trust

It increased average realisations per unit

It increased the proportion of revenues from retail sales

It collaborated with specifiers - architects and interior designers

It educated specifiers - architects and interior designers - about its products through training

It introduced New collection of products - Arte & Wheathered

## Snapshot, FY 2022-23

| | | | |
|---|---|---|---|
| **46** Number of products in Mikasa Collection 2022 | **166** SKUs in our collection | **32** New products added | **2** New Collections - Arte & Weathered |

## Engineered wooden flooring segment

**Manufacturing facilities**: Behror, Rajasthan

**Installed capacity**: 1.0 mn square meters per annum

**Brand**: Mikasa

**Production during FY 2022-23**: 0.11 mn square meters

**Production de-growth over FY 2021-22**: 4.5%

**Capacity utilisation**: 11%

**Sales volume, FY 2022-23**: 0.11 mn square meters

**Sales volume de-growth over FY 2021-22**: 3.0%

**Revenues, FY 2022-23**: ₹42.7 cr

**Segment contribution to total revenues, FY 2022-23**: 2.1%

**Revenue growth, FY 2022-23**: 16.4%

# Engineered doors & frames (Mikasa)

## Overview

The market for doors in India has grown due to urbanization, rise of the middle-class and increasing disposable incomes.

Mikasa doors and frames from Greenlam were personalised to address the requirements of customers (architects, interior designers and homeowners). The Company's product is positioned in the mass premium segment, a reflection of its capacity to produce high-strength veneer doors.

The products have been enhanced by service, including delivery and installation. The Company's installation capability and skilled manpower are strategically distributed across locations to ensure efficient and effective installation.

The Company possesses durability certifications for fire-rated and acoustic doors (60-minute, 90-minute and 120-minute durability ratings), ensuring a compliance with stringent fire resistance and sound insulation standards.

## Highlights, FY 2022-23

The Company expanded its customer network comprising high net worth clients. It took various initiatives to develop and strengthen the retail network in major cities. It developed a new line of doors for hospitals and other healthcare institutions – a first in the industry. It possesses a team to guide technicians in door installation, strengthening processes to shorten the turnaround time.

The Company collaborated with prominent global architect to create a high-end special Origami designer doors and frames collection.

## Engineered door segment

**Manufacturing facilities**: Behror, Rajasthan

**Installed capacity**: 0.12 mn doors per annum

**Brand**: Mikasa

**Production during FY 2022-23**: 18388 units

**Production de-growth over FY 2021-22**: 14.0%

**Capacity utilisation**: 15.0%

**Sales volume, FY 2022-23**: 16916 units

**Sales volume de-growth over FY 2021-22**: 22.1%

**Revenues, FY 2022-23**: ₹24.3 cr

**Segment contribution to total revenues, FY 2022-23**: 1.3%

**Revenue de-growth, FY 2022-23**: 9.4%

**Case study**

# How we overcame challenges to win a contract for the Central Vista Project

One of the prestigious projects by Government of India

**Reality**: The Mikasa engineered wooden flooring needed to win sizable orders, corresponding to its product quality

**Challenges**: One shortcoming that needed to be addressed was that Mikasa engineered wooden flooring was not being considered for government projects as it was not a enlisted in DSR (Delhi Schedule of Rates) with the Central Public Works Department (CPWD).

**Activity**: The company highlighted benefits of engineered wooden floors over hard wood floor to the CPWD and other government stakeholders. It sent specifications to the CPWD and the architect firm authorized for Central Vista Project; a mockup was executed. The company addressed challenges in meeting specific requirements relating to grading of top layer wood lamella/veneer due to global raw material constraints. The company invited CPWD and Authorised Architect and assigned project contractor to its Behror, Rajasthan facility to showcase the best products that could be produced. The flooring was installed by Mikasa's trained installation team with the co-operation of internal commercial, factory and sales team to ensure efficient and timely execution.

**Outcome**: The project was executed and Mikasa engineered wood flooring was specified for three landmark buildings - Parliament, Vice President Enclave and the Central Secretariat under the Central Vista project. Mikasa engineered wooded flooring emerged as a prominent contender in various government projects in the National Capital Region.

Business analysis

# How Greenlam continued to strengthen its manufacturing excellence

## 3 challenges we encountered in FY 2022-23

## The big picture of what we achieved in FY 2022-23

## Overview

Greenlam is amongst the largest laminate manufacturing companies in India, marked by manufacturing facilities in three locations (fourth to be commissioned in FY 2023-24). Over the years, the Company broadbased its capability and extended to a range of adjacent interior infrastructure products with the objective to emerge as a single-point solution provider. Besides its scale, the Company is respected for its manufactured quality, process certifications, safety standard and product consistency.

## Our manufacturing principles

- Identify the best raw material supply source
- Broad-base vendor relationships resulting in timely resource supply
- Procure around the best price-value proposition
- Enhance resource consistency

## Challenges and counter-initiatives

The import of kraft paper (raw material) became inflationary. The Company replaced imported kraft paper with an indigenous substitute without compromising quality; this helped moderate inventory and freight costs.

## Performance highlights, FY 2022-23

- The Company reported a laminate capacity utilisation of 99% (blended) across its plants
- The Company acquired a production unit at Prantij (Gujarat) and upgraded it to 5.4 mn sheets of high pressure laminates per annum
- The Company increased the volume of recycled paper consumption without affecting end product quality
- The Company achieved Green Pro and GRIHA certification for its products
- The Company commissioned a fully operated centralised warehouse facility for improved logistical control and quicker deliveries (including smaller lots of various product mix)
- The Company undertook a reverse osmosis water recovery and recycling programme that helped save more than 18000 cubic meters (average 1.09 liters per unit of production).
- The Company collaborated with prominent global architect to create a high-end special Origami designer doors and frames collection

## Manufacturing strengths

- The Company's manufacturing capacity is among the largest in India, empowering it to address the anytime and anywhere needs of customers
- The Company is the third largest producer of high-pressure laminates in the world
- The Company invested in state-of-the-art equipment, empowering it to offer a wide selection of products customised across sizes, variants and combinations, remaining flexible to market changes
- The Company stands out as one of the few globally recognised manufacturers of high-pressure laminates (with SEDEX and ISO 9001, 14001 & 45001 certifications).
- The Company is respected for first-moving initiatives; it was among the few first in Asia to introduce anti-virus, antibacterial and anti-fungal products, addressing the healthcare sector
- The Company introduced the anti-fingerprint laminates in seven new colours
- The Company manufactures a range of surface textures across sizes and applications

## Outlook

The Company seeks to be certified for Energy Management Certification ISO 50001. It intends to launch fire-rated products for railway coach building applications. It intends to introduce complete solutions for interior clads and door designs. It will develop thermo-formable compact boards. It is engaged in the development of horizontal grade exterior compact laminates for use in outdoor furniture and allied applications.

The Company is commissioning its maiden plywood plant in Tindivinam (Tamil Nadu) with 18.9 mn sq. m capacity. It is also commissioning a plant in Naidupeta of 3.5 mn sheets/ board and 2,31,000 cbm capacity for high pressure laminates and particle boards respectively.

The complement of these initiatives is expected to enhance the Company's competitiveness.

## Our Behror and Nalagarh plant specialization

- High pressure laminates for general purpose, post forming, fire rated and door size variants in different premium textures and decors
- Decowood veneers natural, teak and engineered variants in different sizes and thicknesses
- Fleece back and MDF or plywood backing options are made available
- Mikasa engineered floors and doors with wood variants in different models and sizes
- Premium/ specialty high pressure laminates like HD Gloss, Unicore, AFX, ESD, Exterior cladding compacts and kitchen top/work top variants
- Prefabricated restroom cubicles
- MFC-prelaminated particle boards and prelaminated MDFs

## Our innovative product portfolio

| | | |
|---|---|---|
| Fire-rated laminates for modern railway coach building | Unique designer door range | Herringbone, Chevron and brick patterns for stair-case model flooring |

## Our Prantij acquisition

**Overview**: The Company acquired the manufacturing facility of Bloom Décor Limited in Prantij (Gujarat) in 2022. The unit possesses a competence in the manufacture of high pressure laminates, is located on the national highway and is proximate to ports and markets.

**Initiatives**: The Company enlisted project and maintenance teams from its existing plants to revamp the manufacturing utilities. It acquired an adjacent plot of land for future expansion.

**Challenges**: The facility needed a revamp in line with contemporary standards across equipment, electrical infrastructure, plant design and overall hygiene.

**Outcome**: The plant commenced commercial production in two months following acquisition showcasing its project execution capabilities.

## Greenlam's quality certifications

### Product certifications

- IS License for HPLs, Decowood, MFC etc.
- EN test certificates of conformance
- Specific requirement tests and certificates like Green Guard, NSF, Anti-bacterial, Anti-fungal etc.
- Q Mark
- Fire Rating certificates for Mikasa Doors

### System certifications

- ISO 9001, 14001, 45001
- FSC & PEFC
- SEDEX

### Product and System certificates

- CE and TIS etc.
- GRIHA
- GreenPro

## Big numbers

**21.02**
mn sheets per annum, manufacturing capacity of laminates

**4.20**
mn square meters per annum, manufacturing capacity of decorative veneers

**1.00**
mn square meters per annum, manufacturing capacity of engineered wooden floors

**0.12**
mn doors per annum, manufacturing capacity of engineered doors and frames

Business enabler

# Growing our people

## Employee testimonials

"I worked with Greenlam from 2010 to 2013 before rejoining in 2015. Greenlam stands apart from any other company I have been associated with. The Company goes above and beyond to take care of its employees, fostering camaraderie, collaboration and innovation. A cherished memory was when Mikasa Doors was launched and the Managing Director spoke passionately about giving our best irrespective of outcomes."

**Renu Bala**
*Senior Manager, Mikasa Doors*

"Three months after leaving my hometown to join work, the pandemic struck. During eight months of remote working, Greenlam proved to be a lifeline. The Managing Director would call daily to check on my well-being. The Company's consistent support made all the difference. Greenlam is not a workplace; it is home."

**Shanmugasundaram**
*General Manager, Sales*

"At 65, when most individuals choose to retire, I find myself working enthusiastically, thanks to Greenlam's work culture. Unlike traditional workplaces, where age might be a barrier, Greenlam views its employees as partners, regardless of their age. This progressive mindset has allowed me to contribute meaningfully. This inclusive approach ensures that every employee, regardless of their position, feels valued and respected."

**K.L Sharma**
*Production, Prantij/Behror*

"I joined this company as a branch manager for Delhi NCR. In 15 years, I have consistently grown in responsibilities and knowledge and now hold the position of Sales Head for the NewMika brand. Throughout my journey here, I have felt like a valued member of a close-knit family, thanks to the management's nurturing approach."

**Sumeet Gupta**
*Sales Head, NewMika*

"Greenlam motivates employee growth through promotions and incentives. I joined the Company in December 2014 in the logistics department and was promoted to the role of Senior Manager in 2017, where I managed the entire warehouse management process. In 2019, I assumed the challenge of implementing the CRM system for Greenlam from the ground up, while engaging with senior leadership and shareholders."

**Mansi Kanishk Prasad**
*Assistant General Manager, IT & Digital Transformation Services*

"Greenlam is a wonderful place to work with its job security and ample career growth opportunities. Greenlam believes in creating managers and leaders within the Company by encouraging its employees to challenge themselves. The Company entrusted me with vision of expanding the business for Upper north to become a preferred Brand. We ramped up our distribution network / branding, opened branches and emerged as preferred brand. A major factor behind my success was the freedom in decision-making and faith, which motivated me to contribute to Greenlam's growth."

**Anubhav Sharma**
*Deputy General Manager*

"I joined the Nalagarh unit and helped commission projects, seeing it evolve into one of the world's most advanced laminate plants. My time at Greenlam taught me that hard work and dedication will always be rewarded."

**Shyam Sundar Singh**
*General Manager, Nalagarh plant*

"We are a small team of six members but have contributed immensely by addressing customer needs, positioning our products, and cultivating relationships with distributors. Greenlam played a vital role in our success as the Company's collaborative work culture encourages employees to co-operate with each other and work towards a shared goal."

**Abu Bakr Pervais**
*Commercial Finance Manager, Greenlam Europe UK Limited*

## 3 challenges we encountered in FY 2022-23

## The big picture of what we achieved in FY 2022-23

## Overview

People management plays a decisive role in organisational success. Greenlam leveraged its human resources to enrich its operating culture around proactiveness and customer-centricity.

The Company engaged experts across respective fields; planned onboarding fostered deeper connection with hires. The Company reinforced its commitment to sensitised engagement through process automation, safeguarded data privacy, regulatory adherence, employee performance management, payroll administration and employee benefits.

The Company accelerated the growth and implementation of strategic learning programs for all departments, encompassing technical and interpersonal skills.

## Strengths

The Company's HR policies are guided by defined future-forward goals, ensuring effective HR policy implementation. The Company expanded its in-house training capabilities to include its business partners, aiming to achieve greater alignment. The talent development strategy provided leaders with advanced product knowledge and functional insights, enhancing effectiveness.

## HR initiatives, FY 2022-23

The Company strengthened its regional HR framework, which ensured that ground level employee connect was further intensified.

The Company adopted a long term structured learning and development framework and is now rolling out programs under the same.

The Company focused on hiring throughout the year for both existing and newly commissioned offices and businesses.

The Company conducted its maiden employee engagement survey and sought employee feedback for enhancing engagement effectiveness.

The Company established employee engagement platforms (feedback sharing, online training and recognition tools).

## Our HR vision

To be an employer of choice within and across the industry

## Our HR goals

To possess the best-in-class people practices and offer a strong value proposition to anyone within or outside the organization. To record profitable growth at the organisational level, which should be mutually rewarding for the employees.

Soul

# Greenlam and ESG

## Overview

At Greenlam, we place significant importance on environment-social-governance (ESG) practices, considering that our products draw on natural resources. Any deviation from responsible practices or perceived irresponsibility can impact our reputation and market position. Our ESG policy represents an extension of our COBEC (Code of Business Ethics & Conduct), SEDEX (Supplier Ethical Data Exchange), IMS (Information Management System) and energy management policies.

**The environment component** at our Company ensures that our products are derived from environmentally responsible resources and consume only as much as is moderately needed, recycle water, engaged in responsible waste management, consume moderate fossil fuels and build climate change resistance.

**The social component** focuses on investing in employees, vendors, customers, and community engagement. These relationships form a framework that safeguards the Company from unforeseen supply, demand shocks and production disruptions.

**The governance component** includes business strategy, values, codes of conduct, Board composition and responsibilities. Additionally, it encompasses an organizational dedication to upholding the principles of the United Nations Global Compact (UNGC).

# Our environment commitment

The Company achieved environmental improvements through several initiatives, including reducing groundwater withdrawal, lowering carbon emissions and optimizing electricity consumption per unit.

Greenlam made strategic investments in low-carbon technologies, leading to improved resource and energy efficiency. The Company invested in electrostatic precipitators (ESP), rainwater harvesting pits, fire-fighting system, waste water treatment and recovery and bio fuel fire system for heating thermic fluid. The Company also increased sourcing and usage of recycled and agro-based papers.

Risk mitigation policies were developed with a long-term vision and a commitment to sustainable prosperity. By prioritizing the reduction of its environmental footprint, preservation of the planet and responsible resource consumption, Greenlam actively invested in modern technologies, replenishment projects, practices, methodologies and standards.

## Our environment conservation scorecard

| 55 | 44 | 18,650 | 44,000 | 60 |
|---|---|---|---|---|
| %, y-o-y increase in biomass fuel consumption of the total fuel usage | Tera joules of energy conserved | KL, of water saved | KL, additional ground water recharge capacity enhanced | %, inputs and raw materials sourced regionally |

## Water conservation

An efficient water management system is integral to the long-term sustainability of our operations. Over-consumption of water without any conservation will not only deplete water resources, hindering operations but will affect our relationship with the local communities in the vicinity of our operations.

| | FY 20 | FY 21 | FY 22 | FY 23 |
|---|---|---|---|---|
| Groundwater consumption per unit of product (liters) | 14.82 | 14.27 | 13.00 | 11.91 |
| Reduction over the previous year | 3.6% | 3.7% | 8.45% | 8.3% |
| Volume of water saved (KL) | 8,300 | 8,000 | 21,700 | 18,650 |
| Action initiated during the year towards a reduction in water consumption | The Company initiated the installation of high-pressure hot water system installation in Behror<br>The Company invested in RO water recycling | The all-high productive presses were converted to high-pressure hot water system<br>RO water recycling was implemented at the plant | Multiple effect RO systems implemented at both plants ensured recycling of used waters for use. | Recycling of treated waters in cooling towers apart from Multiple RO system implementation |

# Our social commitment

At Greenlam, the continuity of our business is strengthened by a dedicated group of stakeholders, including employees, vendors and the community.

**Employees**: At Greenlam, we have fostered a culture of excellence aimed at becoming a benchmark in terms of both quality (product and process) and resource productivity. We have made significant investments in talent acquisition, retention and training to improve efficiency and effectiveness. Additionally, we have prioritised safety by investing in training programs, protocols, certifications, infrastructure and awareness-building initiatives.

**Customers and vendors**: The Company strengthened its partnerships with vendors, who supplied capital equipment, spare parts and raw materials, as well as with customers.

**Community**: The Company collaborated with the community near its manufacturing locations, aiming to contribute to their well-being. This was achieved through meaningful interventions in education, health and community development, aligning with the United Nations' Sustainable Development Goals.

## Health and safety

### Overview

At Greenlam, we firmly believe that execution excellence is founded on a strong commitment to health and safety standards. Safer work practices translate into confident employees, productivity and profitability.

Safety is not an incidental aspect; it lies at the heart of our success. At Greenlam, our HSE compliance with ISO 45001-2018 standards was continued and periodically assessed by DNV and BSI.

Our health and safety commitments are driven by the following priorities:

- We made significant investments in designing workflows that prioritise safety, allowing us to mitigate associated risks from the outset
- We invested in the adoption of safe technologies that have a proven track record of minimal or no adverse physical impact on our workforce. Our policies are centered around HSE, providing a solid foundation for continual improvement.
- We diligently measure and report our findings to our Board, ensuring transparency and facilitating proactive measures for course correction and sustainable enhancements.

### Our health and safety initiatives

- We revamped firefighting infrastructure and upgraded safety through different engineering solutions
- We started monitoring vital areas of emission
- We implemented our confined space working standards
- We organised regular training and mock drills to propagate safety concepts at grass roots level
- We improved our emergency response infrastructure
- We provided periodic medical checks to employees
- We undertook fitness tests across pressure equipment, cranes, generators, earth pits, etc.
- We provided safety-related documents like work permit, incident reporting etc. in vernacular for better understanding
- We undertook periodic surveillance assessments on SEDEX, NSF and CE compliance

### Greenlam's Quality, Environment, Health and Safety Policy

Greenlam's QEHS policy addresses the manufacture of high-pressure decorative laminates, veneers, veneered decorative plywood, fire-rated and non-fire rated doors and frames, pre-laminated particle boards and pre-laminated MDF board and engineered wood flooring in our manufacturing facilities. The Company is committed to the following:

- Achieve zero accidents, zero defects and zero occupational diseases across products, processes and operations

- Comply with all applicable statutory and other applicable requirements related to occupational safety and health, environment and quality relevant to its products, processes and operations
- Fulfill and exceed customer requirements
- Integrate QEHS requirements across processes and operations
- Minimise ground water consumption through recycling and wastewater reuse
- Protect the environment; eliminate pollution by encouraging tree growth, promoting the positive impact of its processes and minimising negative impact on the environment
- Encourage worker consultation and participation in QEHS processes
- Comply with requirements applicable to our products, services and operations due to associations, collaborations and subscription
- Report continuous improvement in the QEHS management system
- Provide resources to implement the policy and achieve objectives

# Our governance commitment

At Greenlam, governance enhances organisational predictability, attracting like-minded stakeholders who also believe in doing business our way. Some principles of our governance commitment have been described in this section.

**Stakeholder value**: At Greenlam, our commitment is to increase stakeholder value. We strive to enhance customer competitiveness through unparalleled product quality. Our employees experience pride, fair compensation and opportunities for career advancement. Our investors expect a superior return on capital invested compared to other alternatives. The community benefits from our presence through various means, including taxes, exports and job creation. Our vendors benefit from stable partnerships.

**Brand impact**: At Greenlam, we strive to earn respect from all stakeholders. Our customers recognise us as a company that propels their businesses forward through superior and personalised product quality. We provide our employees with a stimulating work environment. In the communities where we operate, we are known for employing safe processes and fostering prosperity through thoughtful interventions. Our shareholders perceive us as a globally competitive player that consistently enhances value.

**Process-driven**: At Greenlam, we have intensified investments in our processes and systems. As a result, we have established a robust framework of checks and balances that effectively mitigate risks. We have reinforced an audit-focused and compliance-oriented approach, enhancing the credibility of our reported figures.

**Board of Directors**: At Greenlam, our Company is navigated by a competent Board of Directors. Our Board comprises individuals who have enriched our bandwidth, business understanding and strategic direction. Our Board comprises 4 Independent Directors, who can complement the Board from an outside-in perspective.

**Integrity**: At Greenlam, we are unwavering in our commitment to conduct business with integrity. This includes fair talent appraisal, promoting gender equality, zero tolerance for sexual harassment and ethical violations, unbiased recruitment practices, impartial performance evaluations, respect for individual dignity, and preservation of the environment.

**Balanced approach**: When encountering accounting treatments that require interpretation, we prioritise a conservative approach to ensure that our financial records accurately reflect the reality. Regarding market-facing initiatives, we view our approach as a readiness for seizing opportunities.

Business enabler

# IT and digital transformation services

## Challenges, FY 2022-23

- We needed mobile application for CRM for better access and productivity
- We needed a tool to track our distributors' SKU-wise sales and stocks
- We needed to reach prospective customers virtually
- We needed to enhance the digital payment process with our banks

## How we responded

We upgraded portal-based applications and created a new mobile app of CRM for business users

We developed Dealer Management System (DMS) to integrate our distributors' system with ours

We developed a specifier management system to track achievements

We developed an HD streaming application to provide live demonstrations of veneer products to customers

We built an integrated SAP ERP with our bank for ease of payment processing and reconciliations

## Key IT initiatives

We enhanced security features and deployed multifactor authentication for email, OneDrive and Teams

We implemented a chatbot for IT-related self-services like call logging, password reset and account unlock

We shifted our digital operations to Cloud for enhanced efficiency, flexibility and security

We implemented a QR-code based digital solution to calculate loyalty points integrated with the loyalty engine.

We implemented a web-based OTIF (on time-in full) dashboard to showcase real-time information for logistics MIS and decisions.

## Key achievements, FY 2022-23

We implemented SAP for integration at our plants at Prantij, Gujarat and Tindivanam, Tamil Nadu

## Outlook

The Company will continue to optimise processes to enhance efficiency. The Company will invest in digital training to upskill talent and enhance productivity, competitiveness, service and advancement. The Company will enhance its cyber security, create a single platform across departments, functions, and application on one platform for faster operations, quicker decisions and data security using the S4 Hana framework.

# How we enrich communities

## Our CSR vision

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

## Overview

At Greenlam, our CSR commitment goes beyond the obligatory 'cheque-writing' and is focused on solving the problems faced by communities situated nearing our area of operations and create a lasting difference, whereby beneficiaries gain a control of their lives.

The Company recognises the importance of extending its corporate values beyond its internal stakeholders and reaching out to those who play a vital role in its existence.

The Company collaborates with communities to co-create programs that contribute to their economic development and enhance their overall quality of life.

The Company's engagement is guided by its CSR Policy, overseen by a CSR Committee and senior management.

## Our focus areas

**Quality education (Sustainable Development Goal 3)**: Promoting and providing education and special education with employment enhancing skills among the children, women, elderly and the differently-abled couples with livelihood generation

**Good health and well-being (Sustainable Development Goal 4)**: Promoting healthcare including preventive healthcare and sanitation, increasing the availability of clean and safe drinking water

**Reduced inequality (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)**: Ensuring availability and sustainable water management and sanitation for all

## Intervention, FY 2022-23

**Education**: We enhanced learning outcomes in pre-primary and primary education in 15 villages in Behror and ten villages in Nalagarh.

**Health**: We improved maternal and child healthcare through awareness sessions and community activities in 34 villages in Behror and nine villages in Nalagarh

**Water**: We promoted integrated village development by implementing initiatives focused on water management, agricultural practices, health and hygiene. Our aim is to create sustainable solutions that address the needs of the community in these vital areas.

**Community development**: We catered to the needs of distressed girl children by ensuring they have access to a supportive network. This includes providing care workers, counselors, tutors and mentor mothers who can offer guidance, assistance and mentorship to empower and uplift these girls.

## Outlook, FY 2023-24

This year, our objective is to introduce community engagement initiatives in new geographical areas, focusing on long-term involvement and commitment.

## Greenlam has helped

**94**

Farmers and Village Development Committee members were supported by conducting awareness sessions on water conservation and rejuvenation. Greenlam also assisted in constructing and reviving community assets such as ponds.

**2813**

Mothers, adolescents, senior citizens and frontline health workers were supported through awareness sessions on maternal and child healthcare and address of taboo topics with an aim to accelerate behavioural change in the community.

**6527**

Students, mothers and volunteers were supported to improve the learning outcomes of students through the building of foundational skills in languages and maths with an aim to provide them with quality education in their foundation years.

## Case studies

### Pratham, Behror

Ravinder Kumar, a resident of Behror, has two children. Ravinder connected with Pratham Education Foundation through WhatsApp in response to the remote learning messages shared by the organisation. Pratham provided learning materials, including interactive activities, games and rhymes, to share with his two children. This engaged them and helped expand their knowledge. The result: This engagement brought in noticable changes in the kids knowledge and learning.

Pratham - Mother's meeting with Pratham volunteers at Nalagarh, Himachal Pradesh

## Pratham, Nalagarh

Bhavna was disinterested in learning, marked by poor attendance. Nisha, a Pratham team member, learnt of her family's lack of support for her education due their low confidence in her capability.

Nisha provided school-based support to Bhavna; it encouraged her mother to join a community-level mothers' group. This helped her access tools to support Bhavna's learning journey and engage her through simple domestic activities. Bhavna's academic interest gradually improved, leading to significant outcomes.

MAMTA - Awareness session with community members for World Breastfeeding Week in Nalagarh, Himachal Pradesh

## Mamta, Nalagarh

Baggo Devi, a 72-year-old from Koulanwala participates in Mamta's mothers-in-law meetings supported by Greenlam. At one such meeting, she indicated experiencing headaches; she was sent for checks at the health sub-centre. She was diagnosed with high blood pressure and later provided medication, exercise and dietary advice. This was a big change for this age group people in the community who otherwise are quite negligent to their health.

## Sehgal Foundation, Behror

Resident Sunil Choudhary adopted mini-sprinkler systems for irrigation after attending a training session organised by S M Sehgal Foundation and Greenlam Industries. 63 mini sprinklers were installed in his field (one acre), Sunil experienced a significant yield increase. The result in the numbers: he harvested 52 maunds of crop, earning around ₹45,760 in the past; this increased to 60 maunds and an income of ₹52,800.

Sehgal Foundation - Pond inauguration event in Nalagarh, Himachal Pradesh

## Sehgal Foundation, Nalagarh

SM Sehgal Foundation, with support from Greenlam, built a pond in Panjhera village, to store 18 mn liters of water. The project includes a drinking water facility, pathway, solar street lights and water conservation artwork. Regular village development committee (VDC) trainings were conducted to engage the community and enhance water conservation skills. The pond was inaugurated on March 27, 2023, in the presence of Greenlam Nalagarh Plant team, village officials, VDC members, community representatives and the SM Sehgal Foundation team. The accessible pathways, accessible pathways and solar lights was much appreciated by the villages, which enhanced their ease of living.

# Directors' Report

**FOR THE FINANCIAL YEAR 2022-23**

**Dear Shareholders,**

Your Directors have the pleasure in presenting the 10th Annual Report on the business and operations of the Company along with the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023.

## Financial Highlights

(₹ in Lakh)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Profit before Finance Cost, Depreciation & Amortisation Expenses and Tax Expenses* | **23,186.84** | **17,998.87** | **25,083.49** | **19,430.23** |
| Less: Exceptional Items | - | 258.96 | - | 258.96 |
| Less: a) Finance Costs | 2,291.42 | 1,347.75 | 2,347.98 | 1,408.00 |
| b) Depreciation & Amortisation Expenses | 5,846.33 | 5,430.66 | 6,324.69 | 5,849.57 |
| **Profit before Tax after Exceptional Item** | **15,049.08** | **10,961.50** | **16,410.82** | **11,913.70** |
| Less: Provision for taxation ( Net) | 2,761.02 | 2,424.99 | 3,606.86 | 2,855.47 |
| Less: Non-controlling Interest | - | - | (38.19) | (15.04) |
| **Profit for the year** | **12,288.06** | **8,536.50** | **12,842.15** | **9,073.27** |
| Add: Other Comprehensive Income (OCI) (Net of taxes) | (28.74) | 23.47 | 533.64 | 221.45 |
| **Total Comprehensive Income (Net of taxes)** | **12,259.32** | **8,559.97** | **13,375.79** | **9,294.72** |
| Add: Balance brought forward from previous years | 43,152.98 | 36,299.83 | 45,708.07 | 38,120.17 |
| **Amount available for appropriation** | **55,412.30** | **44,859.80** | **59,083.86** | **47,414.89** |
| Appropriations: | | | | |
| Less: Dividend paid on Equity Shares | 1,448.18 | 1,206.82 | 1,448.18 | 1,206.82 |
| Less: Transferred to General Reserve | 500.00 | 500.00 | 500.00 | 500.00 |
| **Balance carried to Balance Sheet** | **53,464.12** | **43,152.98** | **57,135.68** | **45,708.07** |

**Including other income*

## Operations and State of Affairs of the Company

During the financial year 2022-23, your Company recorded an impressive growth in both top line and bottom line with 19.61% growth in total income and 43.95% in net profit. Total income increased to ₹1,88,706.41 lakh from ₹1,57,665.24 lakh in the previous year and net profit increased to ₹ 12,288.06 lakh from ₹8,536.50 lakh in the previous year. This performance is driven by better product mix, focused operational efficiency, a disciplined approach in commercial operations, rising preference of consumers for branded products and market recovery from Covid-19 pandemic.

Laminates and allied products constituted around 90.64% of our total sales during the financial year 2022-23, sales grew 18.61% to ₹1,67,772.73 lakh. Decorative Veneer and allied products contributed 9.36% to our total sales. Decorative Veneer business grew 27.51% to ₹10,673.12 lakh for the financial year 2022-23. In the engineered wooden flooring business, your Company reported sales of ₹4,235.38 lakh for financial year 2022-23, growing by 19.48%. The engineered wooden door set sales de-grew 4.90% to ₹2,425.58 lakh in financial year 2022-23.

During the financial year 2022-23, your Company recorded a growth of 11.31% in exports to ₹73,505.06 lakh from ₹66,038.98 lakh and export incentive decreased to ₹3,221.30 lakh from ₹3,749.60 lakh.

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

2022-23 stood at ₹2,04,391.20 lakh and ₹12,803.96 lakh respectively.

Your Company intensified its efforts in the area of product specification and market penetration as a result of which your Company continued to expand its presence for laminates and allied products. The performance of the Company during the financial year 2022-23 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 Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 on Consolidated Financial Statements are provided in the Annual Report.

## Dividend

Your Directors recommended a final dividend of ₹1.50/- per equity share on the Company's 12,69,92,550 equity shares of ₹1.00 each (150%) for the financial year 2022-23 in its meeting held on May 27, 2023. The final dividend on the equity shares, if declared as above, would entail a total outflow of ₹1904.89 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

Your Company's outlook remains favourable on account of continuous processes strengthening, growing brand popularity, customer shift from unorganised to organised market coupled with support from employees, shareholders, creditors, consumers, distributors, dealers and lenders and other stakeholders. The Company's vision is to broad-base its product portfolio towards a one-stop solution and position itself as an integrated surface and solution provider. The Company's pan-India distribution network ensures an easy availability of products in almost every part of India. The Company enjoys a presence in over 100 countries, either directly or through its overseas subsidiaries and step-down subsidiaries.

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

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

During the year, your Company acquired a laminate manufacturing facility at Prantij, Gujarat along with machineries & equipment with production capacity of approximately 3.4 million laminate sheets per annum. The Company commenced commercial production at the said newly acquired laminate manufacturing facility with effect from August 20, 2022. Further, upgradation of the said manufacturing facility was completed on May 17, 2023. Upon upgradation, the production capacity of the said manufacturing facility has become 5.4 million laminate sheets per annum and the total installed capacity of the Company for manufacturing of laminates has increased to 21.02 million sheets per annum.

HG Industries Limited, a subsidiary company is in the process of setting up a greenfield project for manufacturing of plywood and allied products with an installed capacity of 18.9 million square meters at Tindivanam, Tamil Nadu of which commercial production is expected to start shortly.

Greenlam South Limited, a wholly owned subsidiary of the Company ("GSL"), is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum. The project is expected to commence commercial production by Q2 of FY 2023-24. GSL is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic metre of which commercial production is expected to commence commercial production by Q4 of FY 2023-24.

During the year under review, Board of Directors approved a Scheme of Arrangement ("Scheme") between HG Industries Limited ("Transferor Company") and Greenlam Industries Limited ("Transferee Company") and their respective shareholders and all concerned under Section 230 to 232 of the Companies Act, 2013 for amalgamation of Transferor Company with and into the Transferee Company with effect from April 01, 2022 ("Appointed Date"). The Scheme was subject to the receipt of requisite approvals from statutory and regulatory authorities and respective shareholders and creditors under applicable law. The Company received the observations letters from BSE Limited and National Stock Exchange of India Limited on January 11, 2023. The Company also received the No Objection Certificates from secured creditors. The approval of shareholders and unsecured creditors were received on April 21, 2023 and the Company is taking further necessary actions in this regard.

## Credit Rating

Following are the credit ratings obtained during the financial year 2022-23:

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

## Subsidiaries and its Performance

As on March 31, 2023, your Company has ten overseas subsidiaries and step-down subsidiaries viz. Greenlam Asia Pacific Pte. Ltd., Singapore, Greenlam America, Inc., USA, Greenlam Europe (UK) Limited, UK, Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand, Greenlam Holding Co., Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia, Greenlam Decolan SA, Switzerland, PT Greenlam Indo Pacific, Indonesia, Greenlam Rus LLC, Russian Federation, Greenlam Poland Sp. z.o.o., Republic of Poland and two Indian subsidiaries viz. Greenlam South Limited and HG Industries Limited.

HG Industries Limited, a subsidiary company is in the process of setting up a greenfield project for manufacturing of plywood and allied products with an installed capacity of 18.9 million square meters at Tindivanam, Tamil Nadu of which commercial production is expected to start shortly.

Greenlam South Limited, a wholly owned subsidiary of the Company ("GSL"), is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum. The project is expected to commence commercial production by Q2 of FY 2023-24. GSL is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic metre of which commercial production is expected to commence commercial production by Q4 of FY 2023-24.

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.

Further, UK step-down subsidiary Greenlam Europe (UK) Limited is engaged in the business of marketing and distribution of high-pressure laminates and allied products, engineered wooden flooring and engineered wooden door sets in United Kingdom. Two Thai step-down subsidiaries Greenlam Asia Pacific (Thailand) Co., Ltd. and Greenlam Holding Co., Ltd. are engaged in the business of marketing and distribution of high-pressure laminates and allied products in Thailand. One Indonesian step-down subsidiary PT. Greenlam Asia Pacific is engaged in the manufacturing of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples and another Indonesian step-down subsidiary PT Greenlam Indo Pacific is carrying out, inter alia, the business of distributor and wholesaler of laminates and allied products. Greenlam Decolan SA, Switzerland step down subsidiary, is engaged in the business of marketing and distribution of high pressure laminates and allied products. Limited Liability Company Greenlam Rus (abbreviated name being "Greenlam Rus LLC"), step down subsidiary in Russian Federation, and Greenlam Poland Spółka zograniczoną odpowiedzialnością" (abbreviated name being "Greenlam Poland Sp. z o.o."), step down subsidiary in Republic of Poland, are carrying out, inter alia, the business of marketing of high pressure laminates and allied products.

There is no company which has become or ceased to be subsidiary, joint venture or associate of the Company during the year under review.

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 2022-23, the net contribution of all the subsidiaries to the Company's consolidated total income, profits before tax (PBT) and profits after tax (PAT) is 7.67%, 8.30% and 4.03% 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. 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. Shareholders interested in obtaining a soft copy of the Annual Accounts of the subsidiary companies may write to the Company

Secretary at the Company's Registered and Corporate office or may drop a mail at investor.relations@greenlam.com.

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.

Based on the financial statements for the financial year ended March 31, 2022, Greenlam South Limited is considered as the material subsidiaries of the Company in terms of the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the Financial Year 2022-23. The Secretarial Audit Report of Greenlam South Limited in Form MR-3 for the financial year ended March 31, 2023, is annexed to the report as "Annexure-VII".

## Transfer to General Reserve

The Board of Directors at their meeting held on May 27, 2023 proposed to transfer ₹500 lakh to the General Reserve.

## Directors

As on March 31, 2023, 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 2022-23, Mr. Vijay Kumar Chopra ceased to be an Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure as an Independent Director as per the provisions of Companies Act, 2013 ('Act') & relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Nomination, Remuneration and Compensation Committee and the Board of Directors at their respective meetings held on February 01, 2023 and February 02, 2023 recommended the appointment of Mr. Rahul Chhabra (DIN: 10041446) as an Independent Director of the Company to the members of the Company and accordingly, the Company has received the approval of members of the Company on May 21, 2023. Mr. Rahul Chhabra has been appointed as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from May 21, 2023 to May 20, 2028. In the opinion of Board of Directors, Mr. Rahul Chhabra, Independent Director is a person of integrity and possesses relevant expertise and experience.

For the financial year 2022-23, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Parul Mittal (DIN: 00348783) Whole-time Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself 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 23, 2023 received from M/s. Chandrasekaran Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

## Changes in Share Capital

During the period under review, the Company issued and allotted 63,10,680 equity shares of the Company of face value of Re.1 each to Smiti Holding and Trading Company Private Limited on preferential basis at a price of ₹309 per share (including premium of ₹308 per equity shares) on July 20, 2022, after obtaining necessary approvals of shareholders and other regulatory authorities. Consequently, the issued, subscribed and paid-up equity share capital of the Company stands increased from ₹12,06,81,870 to ₹12,69,92,550.

## Employees Stock Option Scheme

The Board of Directors at their meeting held on February 02, 2023, has approved to introduce and implement Greenlam Employees Stock Option Scheme, 2023 ("ESOS 2023") of the Company for the benefit of the Employees of the Company and its subsidiary company(ies) as well as to create, offer, issue and allot Employee Stock Options ("ESOPs") from time to time in one or more tranches, to the eligible employees, present and future, under ESOS

2023, for not exceeding an overall limit of 0.5% the paid-up equity capital of the Company as on January 01, 2023.

Your Company has received the approval of members of the Company for introduction and implementation of ESOS 2023 on May 21, 2023 by way of remote e-voting postal ballot process. The Company is taking further necessary approvals in this regard as may be required before grant of employee stock options.

## Debenture

As on March 31, 2023, the Company had 990 Secured, Listed, Redeemable, Non-Convertible Debentures ('NCD') having face value of ₹10,00,000/- each with coupon rate of 7.78% p.a. listed on National Stock Exchange of India Limited which were issued to identified investors on a private placement basis during the financial year 2021-22. No further non-convertible securities were issued by the Company during the year under review.

## Scheme of Arrangement

Based on the recommendation of Audit Committee and committee of Independent Directors, Board of Directors at its meeting held on June 30, 2022, approved a Scheme of Arrangement ("Scheme") between HG Industries Limited ("Transferor Company") and Greenlam Industries Limited ("Transferee Company") and their respective shareholders and all concerned under Section 230 to 232 of the Companies Act, 2013 for amalgamation of Transferor Company with and into the Transferee Company with effect from April 01, 2022 ("Appointed Date").

Upon the Scheme coming into effect and with effect from the Appointed Date, all the assets and liability of the Transferor Company will be transferred and vested in the Company on a going concern basis and shall become the property of and an integral part of the Company without any further act, deed, matter or thing and the Transferor Company shall stand dissolved without being wound-up and the shareholders of Transferor Company as on the record date (to be fixed) shall be issued and allotted 1 (one) equity shares of the face value of Re. 1/- each of the Company as fully paid up for every 2 (two) fully paid up equity shares of the face value of ₹5/- each held in Transferor Company.

The Scheme was subject to the receipt of requisite approvals from statutory and regulatory authorities, and respective shareholders and creditors, under applicable law. The Company received the observations letters from BSE Limited and National Stock Exchange of India Limited on January 11, 2023. The Company also received the No Objection Certificates from secured creditors. Further, the approval of shareholders and unsecured creditors were received on April 21, 2023 and the Company is taking further necessary actions in this regard.

## 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 2022-23, there was no change in the Key Managerial Personnel of the Company.

## Meetings of the Board

The Board of Directors of the Company met 6 (six) times during the FY 2022-23. 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, no resolution was passed by Board of Directors of the Company through circulation during the year under review in compliance with the provisions of Section 175 and other applicable provisions of the Companies Act, 2013

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on March 22, 2023 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, Remuneration & Compensation Committee ("NRC") has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by the Independent Directors and NRC and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board.

The criteria for evaluation is outlined below:

**a. For Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Duties, role and functions

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

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

- Performance as Team Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Professional Conduct and Integrity
- Sharing of Information with the Board
- Attendance and active participation in the Board and Committee of the Board and Meetings of Members of the Company
- Whether difference of opinion was voiced in the meeting
- Whether Executive Directors were able to answer the queries raised by Independent Directors
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Assistance in implementing corporate governance practices
- Independent view on key appointments and strategy formulation
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Assistance in formulation of statutory and non-statutory policies for the Company
- Ensures implementation of decisions of the Board
- Ensures compliance with applicable legal and regulatory requirements
- Alignment of Company's resources and budgets to the implementation of the organization's strategic plan
- Creativity and innovations in creating new products
- Understanding of the business and products of the Company

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

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

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

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution towards ensuring robust and effective risk management
- Composition of the board and its committees appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged
- Relationship between Board and its Committees and between committees themselves
- Communication with employees and others
- Updation with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters pertaining to financial reporting and internal controls

- Contribution of the Board for ensuring that the Company adheres to the statutory and regulatory compliances as applicable to the Company

The Directors expressed their satisfaction with the evaluation process.

## Audit Committee

As on March 31, 2023, the Audit Committee of the Company comprised of three Independent Directors with Mr. Yogesh Kapur 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, Mr. Vijay Kumar Chopra ceased to be Member of the Committee due to completion of his tenure as an Independent Director of the Company with effect from August 10, 2022. The Audit Committee was reconstituted with effect from July 27, 2022 and Ms. Matangi Gowrishankar inducted as a member and Mr. Yogesh Kapur was designated as Chairman of the Audit Committee 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, Remuneration and Compensation Committee

During the year under review, the Board of Directors at its meeting held on February 02, 2023 approved the change in nomenclature of Nomination and Remuneration Committee to Nomination, Remuneration & Compensation Committee ("NRC Committee"). As on March 31, 2023, the NRC Committee comprises of two Independent Directors with Mr. Sandip Das as Chairman and Ms. Matangi Gowrishankar as member and a Non-Executive Director Mr. Shiv Prakash Mittal as member. During the financial year, there was no change in the composition of NRC Committee. The NRC 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 NRC Committee and the details of the NRC Committee meetings are provided in the Corporate Governance Report.

## Stakeholders' Relationship Committee

As on March 31, 2023, the Stakeholders' Relationship Committee comprises of one Non-Executive Director Mr. Shiv Prakash Mittal as Chairman, one Independent Director Mr. Yogesh Kapur as member and one Executive Director Mr. Saurabh Mittal, Managing Director & CEO of the Company as member. During the financial year, there was no change in the composition of Stakeholders' Relationship 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, 2023, 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 Mr. Yogesh Kapur as Members, Mr. Ashok Kumar Sharma, Chief Financial Officer as Member, Mr. BL Sharma, Head of Manufacturing as Member and Mr. Devendra Gupta, Vice President – Purchase as Member. During the year under review, Ms. Matangi Gowrishankar ceased to be member of RMC and Mr. Yogesh Kapur was inducted as member of the RMC with effect from July 27, 2022. The RMC, inter alia, identify and monitors the key risk elements associated with business of the Company. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report. Further, Mr. Vijay Kumar Bishnoi, Assistant Vice President – Internal Audit, was acting as Chief Risk Officer of the Company to liaise between the risk owners and the Risk Management Committee.

## Corporate Social Responsibility Committee

As on March 31, 2023, the Corporate Social Responsibility Committee (CSR Committee) comprises of two Independent Directors with Ms. Matangi Gowrishankar as Chairperson and Mr. Sandip Das as member and two Executive Directors Mr. Saurabh Mittal, Managing Director & CEO of the Company as member and Ms. Parul Mittal, Whole time Director of the Company as member. During the year under review, there was no change in the composition of CSR Committee. 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 of effective Risk Management.

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

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

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

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

The Directors had laid down Internal Financial Controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations for orderly and efficient conduct of its business. The Audit Committee of the Board, from time to time, evaluated the adequacy and effectiveness of internal financial control of the Company with regard to the following:-

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

## Corporate Social Responsibility

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

The Average Net Profits of the Company for the last three financial years was ₹1,01,73,69,517.37/- and accordingly the prescribed CSR expenditure during the financial year 2022-23 was ₹2,03,47,390.35/- (i.e. 2% of the Average Net Profits of the Company for the last three financial years). Total amount spent by the Company on CSR for the financial year 2022-23 was ₹20,300,390.00/- against the mandatory requirement of ₹2,03,47,390.35/- .

There was an excess spent of ₹4,76,409.43/- during the financial year 2021-22 which was available for set off during the financial year 2022-23. An amount of ₹47,000.35/- was set off towards the CSR Obligation of the financial year 2022-23 from such excess amount spent in the financial year 2021-22. The balance amount of ₹4,29,409.08/- is available for set off in succeeding two financial years.

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.

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 2022-23, were on arm's length basis and in ordinary course of business. During the year under review, the Company has not entered into any arrangement / transaction with related parties which could be considered as material in accordance with Section 188 (1) of the Companies Act, 2013. The particulars of contracts or arrangements with related parties 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 is annexed herewith as "Annexure-III". There is no materially significant related party transactions entered into by the Company which may have potential conflict with the interest of the Company. The Board has approved a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions which has been uploaded on the Company's website. The web-link to Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under: https://www.greenlamindustries.com/pdffile/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf

## Directors' Responsibility Statement

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

a) In preparation of the annual accounts for the financial year ended March 31, 2023, 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, 2023 and of the profits of the Company for that period;

c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Maintenance of Cost Records

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

## Material Changes

During the year, your Company acquired the laminate manufacturing facility at Prantij, Gujarat. The Company commenced the commercial production at the said newly acquired laminate manufacturing facility with effect from August 20, 2022 and upgradation of the said manufacturing facility was completed on May 17, 2023.

During the year under review, your Company issued and allotted 63,10,680 equity shares of face value of Re.1 each on preferential basis. Consequently, the issued, subscribed and paid-up equity share capital of the Company stands increased from ₹12,06,81,870 to ₹12,69,92,550.

Further, a Scheme of Arrangement ("Scheme") between HG Industries Limited ("Transferor Company") and Greenlam Industries Limited ("Transferee Company") and their respective shareholders and all concerned under Section 230 to 232 of the Companies Act, 2013 for amalgamation of Transferor Company with and into the Transferee Company with effect from April 01, 2022 ("Appointed Date") was approved by the Audit Committee and Board of Directors of the Company. The approval of shareholders and unsecured creditors has also been received by the Company on April 21, 2023 and the Company is taking further necessary actions in this regard.

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, 2023 and to the date of this report and it is hereby confirmed that there has been no change in the nature of business of the Company.

## Insurance

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

## Public deposits

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

## Listing of Shares & Debenture

During the year under review, 63,10,680 (Sixty-Three Lakh Ten Thousand Six Hundred Eighty) fully paid-up equity shares of the Company having a face value of Re. 1/- issued on preferential basis to Smiti Holding and Trading Company Private Limited were listed on BSE Ltd (BSE) and National Stock Exchange of India Limited (NSE). The listing approvals of NSE and BSE were received on July 25, 2022 and July 26, 2022 respectively. The confirmation from the depositories were also received on July 25, 2022. Further, the trading approvals of BSE and NSE were received on July 27, 2022.

The Equity Shares of the Company are listed on BSE Limited ('BSE') with scrip code No. 538979 and on National Stock Exchange of India Limited ('NSE') with scrip symbol GREENLAM. Further, Non-Convertible Debentures issued by the Company are also listed on NSE. The Company confirms that the annual listing fees to the concerned stock exchange(s) for the financial year 2023-24 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 6th 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 6th AGM till the conclusion of 11th 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, 2023 forms part of this Annual report.

### (b) Secretarial Auditors:

The Board of Directors of the Company at their meeting held on November 12, 2022, re-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 2022-23.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2023, is annexed herewith as "Annexure-IV".

### (c) Cost Auditors:

Your Company was not required to appoint the Cost Auditor for the financial year ended March 31, 2023.

### (d) Internal Auditor:

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

The Audit Committee quarterly reviews the Internal Audit reports.

## Response to Auditors' Remarks

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Statutory Audit Report.

There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors except as follows:

"As per regulation 57(4), the listed entity shall within five working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/dividend/principal obligations shall be payable during the quarter but for quarter April 01, 2022 to June 30, 2022 there was delay in intimation and the same was intimated on April 09, 2022.

Your directors are of the opinion that the aforesaid observation in Secretarial Audit Report is self -explanatory and do not call for further explanation.

## Annual Return

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at www.greenlamindustries.com.

## Corporate Governance Report

A detailed Report on Corporate Governance for the financial year 2022-23, 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 2022-23, pursuant to the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 is given as a separate statement in the Annual Report.

## Business Responsibility and Sustainability Report

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

## CEO and CFO Certification

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

## 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, 2023. The declaration is annexed to the Corporate Governance Report.

## Disclosure regarding compliance of applicable Secretarial Standards

The Company has complied with all the mandatorily applicable secretarial standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

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

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

## Particulars of Employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as "Annexure-VI".

## Fraud Reporting

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

## Constitution of Internal Complaints Committee

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

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

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

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

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

## Acknowledgement

Your Directors place on record their sincere thanks and appreciation for the continuing support of financial institutions, consortium of banks, vendors, clients, investors, Central Government, State Governments and other regulatory authorities. Directors also place on record their heartfelt appreciation for employees of the Company for their dedication and contribution.

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

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

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

Place: New Delhi
Date: May 27, 2023

# Annexures to the Directors' Report

## Annexure-I

## Form AOC-I

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

*[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]*

| Sr. No. | Part "A": Subsidiaries | ₹ | |
|---|---|---|---|
| 1. | Name of the subsidiary | Greenlam Asia Pacific Pte. Limited | Greenlam America, Inc. |
| 2. | Date of Acquisition* | February 27 2015 | March 16 2015 |
| 3. | Reporting period for the subsidiary | March 31 2023 | March 31 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | US$ (₹82.173) | US$ (₹82.173) |
| 5. | Share Capital | 22,83,46,284.21 | 13,14,76,000.00 |
| 6. | Reserves & Surplus | 9,18,98,437.10 | 13,73,14,602.64 |
| 7. | Total Assets | 45,41,25,006.49 | 30,77,98,381.43 |
| 8. | Total Liabilities | 13,38,80,285.18 | 3,90,07,778.79 |
| 9. | Investments | 5,09,96,746.54 | - |
| 10. | Turnover | 1,92,50,06,182.69 | 1,35,08,70,047.75 |
| 11. | Profit before taxation | 7,50,04,510.65 | 11,59,00,202.63 |
| 12. | Provision for taxation | (1,46,46,837.26) | (2,61,80,569.36) |
| 13. | Profit after taxation | 6,03,57,673.39 | 8,97,19,633.26 |
| 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, 2023 | March 31, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | GBP (₹101.327) | THB (₹2.418) |
| 5. | Share Capital | 1,90,77,828.73 | 96,72,000.00 |
| 6. | Reserves & Surplus | 1,27,04,974.68 | 3,89,18,491.01 |
| 7. | Total Assets | 19,26,48,275.26 | 16,27,70,653.81 |
| 8. | Total Liabilities | 16,08,65,471.84 | 11,41,80,162.80 |
| 9. | Investments | - | 12,09,000.00 |
| 10. | Turnover | 1,13,30,22,298.09 | 71,78,06,212.97 |
| 11. | Profit before taxation | 12,20,63,754.07 | 95,46,336.54 |
| 12. | Provision for taxation | (2,93,64,636.95) | (26,63,717.16) |
| 13. | Profit after taxation | 9,26,99,117.12 | 68,82,619.38 |
| 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, 2023 | March 31, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | THB (₹2.418) | IDR (₹0.0055) |
| 5. | Share Capital | 24,18,000.00 | 1,32,14,800.80 |
| 6. | Reserves & Surplus | (16,49,919.88) | (10,79,673.99) |
| 7. | Total Assets | 48,46,370.80 | 1,61,45,794.91 |
| 8. | Total Liabilities | 40,78,290.68 | 40,10,668.10 |
| 9. | Investments | 48,36,000.00 | - |
| 10. | Turnover | - | 99,13,671.07 |
| 11. | Profit before taxation | (85,120.85) | (13,22,973.45) |
| 12. | Provision for taxation | - | 87,548.82 |
| 13. | Profit after taxation | (85,120.85) | (12,35,424.63) |
| 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, 2023 | March 31, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | CHF (₹90.0027) | ₹ |
| 5. | Share Capital | 2,70,00,810.00 | 13,07,91,820.00 |
| 6. | Reserves & Surplus | (1,94,05,932.16) | 2,32,77,33,000.00 |
| 7. | Total Assets | 47,56,71,109.71 | 4,72,21,62,000.00 |
| 8. | Total Liabilities | 46,80,76,231.87 | 2,26,36,37,180.00 |
| 9. | Investments | - | 25,07,05,920.00 |
| 10. | Turnover | 1,49,67,68,931.72 | - |
| 11. | Profit before taxation | 2,36,18,778.54 | 15,16,606.00 |
| 12. | Provision for taxation | (1,50,91,292.73) | - |
| 13. | Profit after taxation | 85,27,485.82 | 15,16,606.00 |
| 14. | Proposed Dividend | Nil | Nil |
| 15. | % of shareholding/controlling interest | 100% | 100% |

| Sr. No. | Part "A": Subsidiaries | ₹ | |
|---|---|---|---|
| 1. | Name of the subsidiary | PT Greenlam Indo Pacific | Greenlam Rus LLC |
| 2. | Date of Acquisition | May 05, 2020# | November 02, 2020# |
| 3. | Reporting period for the subsidiary | March 31, 2023 | December 31, 2022 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | IDR (₹0.0055) | Rub (₹1.0613) |
| 5. | Share Capital | 1,37,00,000.00 | 20,16,470.00 |
| 6. | Reserves & Surplus | (1,55,87,064.08) | 35,55,315.73 |
| 7. | Total Assets | 5,19,18,557.11 | 83,11,055.16 |
| 8. | Total Liabilities | 5,38,05,621.19 | 27,39,269.43 |
| 9. | Investments | - | - |
| 10. | Turnover | 6,56,35,999.98 | - |
| 11. | Profit before taxation | (66,07,282.11) | 32,78,719.73 |
| 12. | Provision for taxation | - | (7,61,026.39) |
| 13. | Profit after taxation | (66,07,282.11) | 25,17,693.33 |
| 14. | Proposed Dividend | Nil | Nil |
| 15. | % of shareholding/controlling interest | 66.67% | 100% |

| Sr. No. | Part "A": Subsidiaries | ₹ | |
|---|---|---|---|
| 1. | Name of the subsidiary | Greenlam Poland Sp. z. o.o. | HG Industries Limited |
| 2. | Date of Acquisition | January 08, 2021# | December 03, 2021@ |
| 3. | Reporting period for the subsidiary | December 31, 2022 | March 31, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year | PLN (₹19.0400) | ₹ |
| 5. | Share Capital | 19,04,000.00 | 2,31,67,840.00 |
| 6. | Reserves & Surplus | 25,52,407.20 | (1,39,94,286.00) |
| 7. | Total Assets | 1,05,27,787.20 | 1,29,66,93,748.00 |
| 8. | Total Liabilities | 60,71,380.00 | 12,87,520,194.00 |
| 9. | Investments | - | - |
| 10. | Turnover | - | - |
| 11. | Profit before taxation | 21,30,709.28 | (87,74,054.62) |
| 12. | Provision for taxation | (1,16,201.12) | 12,78,000.00 |
| 13. | Profit after taxation | 20,14,508.16 | (74,96,054.62) |
| 14. | Proposed Dividend | Nil | Nil |
| 15. | % of shareholding/controlling interest | 100% | 74.91% |

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

*# Date of incorporation.*

*@ Date of transfer of shares to the Company*

*^ The reporting period of the subsidiary is different from the Company and for the purpose of consolidation, financial statements of subsidiary has been prepared as on March 31. Therefore, the figures given are as of March 31, 2023.*

**Notes:**

1. Name of the Subsidiaries which are yet to commence operations:-

a. Greenlam South Limited is in the process of setting up a greenfield laminates project at Naidupeta, Andhra Pradesh, with an installed capacity of 3.5 million laminate sheets/ boards per annum which is expected to be operationalize by Q2 of FY 2023-24. Greenlam South Limited is also setting up a greenfield project for manufacturing of particle board and allied products at Naidupeta, Andhra Pradesh with a manufacturing capacity of approx. 2,31,000 cubic meter and commercial production of particle board manufacturing facility is expected by Q4 of FY 2023-24.

b. HG Industries Limited, a subsidiary company is in the process of setting up a greenfield project for manufacturing of plywood and allied products with an installed capacity of 18.9 million square meters at Tindivanam, Tamil Nadu of which commercial production is expected to start shortly.

2. 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 the Board of Directors**

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

# Annexure-II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

***FOR THE FINANCIAL YEAR 2022-23***

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

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

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

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

#### Priority Projects

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee:

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; and
4. Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.

### 2. Composition of CSR Committee:

| S. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Ms. Matangi Gowrishankar | Chairperson (Independent Director) | 3 | 3 |
| 2. | Mr. Saurabh Mittal | Member (Executive Director) | 3 | 3 |
| 3. | Ms. Parul Mittal | Member (Executive Director) | 3 | 3 |
| 4. | Mr. Sandip Das | Member (Independent Director) | 3 | 3 |

### 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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. **(a) Average net profit of the company as per sub-section (5) of section 135**
   ₹1,01,73,69,517.37/-

   **(b) Two percent of average net profit of the company as per sub-section (5) of section 135**
   ₹2,03,47,390.35/-

   **(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years** Nil

   **(d) Amount required to be set-off for the financial year, if any** ₹47,000.35/-

   **(e) Total CSR obligation for the financial year [(b)+(c)-(d)]** ₹20,300,390.00/-

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**
   ₹20,300,390.00/-

   **(b) Amount spent in Administrative Overheads** Nil

   **(c) Amount spent on Impact Assessment, if applicable** Nil

   **(d) Total amount spent for the Financial Year [(a)+(b)+(c)]** ₹20,300,390.00/-

   **(e) 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 sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹20,300,390 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

   **(f) Excess amount for set-off, if any:**

| S. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | ₹20,347,390.35/- |
| (ii) | Total amount spent for the Financial Year | ₹20,300,390/- |
| (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)]# | ₹4,29,409.08/- |

*#During the financial year 2022-23, the Company was required to spend ₹2,03,47,390.35/- (2% of the average net profits of preceding three years) towards its CSR Obligation out of which the Company had spent the total amount of ₹2,03,00,390.00/- towards CSR activities during the Financial Year 2022-23. There was an excess spent of ₹4,76,409.43/- during the financial year 2021-22 which was available for set off during the financial year 2022-23. An amount of ₹47,000.35/- was set off during financial year 2022-23 from such excess amount spent in the financial year 2021-22. The balance amount of ₹4,29,409.08/- is available for set off in succeeding two financial years.*

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| S. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount Spent in the Succeeding Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficie ncy, if any |
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | FY21-22 | Nil | Nil | Nil | Not Applicable | Not Applicable | Nil | Nil |
| 2 | FY 20-21 | 45,76,329 | 45,76,329 | 45,76,329 | Not Applicable | Not Applicable | Nil | Nil |
| 3 | FY 19-20 | Nil | Nil | Nil | Not Applicable | Not Applicable | Nil | Nil |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

○ Yes ⓥ No

The Company has not created or acquired any capital assets through CSR spent in the Financial Year 2022-23.

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable**

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

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

**Matangi Gowrishankar**
*Chairperson of CSR Committee*
[DIN: 01518137]

Place: New Delhi
Date: May 27, 2023

## Annexure-III

# Form AOC-2

*[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

1. **Details of contracts or arrangements or transactions not at arm's length basis: Nil**
2. **Details of material contracts or arrangement or transactions at arm's length basis are given below:**

| Sl. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transaction | Nature of contracts/ arrangements/ transaction | 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. | NIL | | | | | |

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

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

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

Place: New Delhi
Date: May 27, 2023

## Annexure-IV

# FORM MR -3

***SECRETARIAL AUDIT REPORT***

***For the Financial Year Ended March 31, 2023***

*(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

To,
The Members
**Greenlam Industries Limited**
203, 2nd Floor, West Wing, Worldmark 1,
Aerocity, IGI Airport, Hospitality District,
New Delhi-110037, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Greenlam Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 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, 2023 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, to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST Regulations');

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company based on the Sectors/ Industry are:

1. The Explosives Act, 1884
2. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008

3. The Indian Boilers Act, 1923 and rules and regulations thereunder
4. The Petroleum Act, 1934
5. The Rajasthan Factories Rules, 1951, The Himachal Pradesh Factory Rules, 1950, and The Gujarat Factories Rules, 1963
6. Indian Forest Act, 1927, Rajasthan Forest Act, 1953, The Rajasthan Forest Produce (Establishment and Regulations of Saw Mills) Rules, 1983

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

1. As per regulation 57(4), the listed entity shall within five working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/ dividend/principal obligations shall be payable during the quarter but for quarter April 01, 2022 to June 30, 2022 there was delay in intimation and the same was intimated on 9th April, 2022.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Based upon the approval of the Board of Directors and Shareholders of the Company, the Company issued and allotted, in one or more tranches, upto 63,10,680 (Sixty-Three Lakh Ten Thousand Six Hundred Eighty) fully paid-up equity shares of the Company having a face value of Re. 1/- (Rupee One Only) each at a price of ₹309/- (Rupees Three Hundred Nine Only) per equity share (including a premium of ₹308/- (Rupees Three Hundred Eight Only) per equity share) ("Preferential Allotment Price") which is not less than the floor price/minimum price for a consideration not exceeding an aggregate amount of ₹1,95,00,00,120/- (Rupees One Hundred Ninety-Five Crore and One Hundred Twenty Only) to Smiti Holding and Trading Company Private Limited, a Qualified Institutional Buyer in terms of SEBI ICDR Regulations ("the Proposed Allottee"), who is not a promoter of the Company nor belong to Promoter(s) or Promoter group of the Company, by way of preferential issue on a private placement basis ("Preferential Allotment"). The Company had received the acceptance along with the application money on July 19, 2022 and allotment of shares to Smiti Holding and Trading Company Private Limited was made on July 20, 2022. The listing approval of NSE and BSE was received on July 25, 2022 and July 26, 2022 respectively. The confirmation from the depositories were also received on July 25, 2022. Further, the trading approval of BSE and NSE was received on July 27, 2022.
2. The Board of Directors in their meeting held on June 30, 2022, approved Scheme of Arrangement between HG Industries Limited ("Transferor Company") and the Company ("Transferee Company") and their respective shareholders and all concerned for amalgamation of the Transferor Company with and into the Company ("Scheme"), as per the terms and conditions mentioned in the Scheme. The Scheme was subject to the receipt of requisite approvals from statutory and regulatory authorities, and the respective shareholders and creditors, under applicable law. The Board Members at their meeting held on February 02, 2023 were informed that the Company had received the

observation letters from the Stock Exchanges on January 11, 2023 and the same were placed before the meeting. It was further informed that an application had been submitted under Sections 230 to 232 of the Companies Act, 2013 to National Company Law Tribunal (NCLT), New Delhi Bench on January 16, 2023 for obtaining its approval to the Scheme of Arrangement. The first motion application hearing by NCLT was done on January 30, 2023 and the order was reserved. Further pursuant to NCLT Order meeting of Equity Shareholders and Unsecured Creditors was held on April 21, 2023 to approve the said scheme of Amalgamation.

3. The Board of Directors subject to the approval of the members of the Company and subject to such other approval(s), permission(s) and sanction(s) of the appropriate authorities as may be applicable and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), introduced and implemented the Greenlam Employees Stock Option Scheme, 2023 ("ESOS 2023") of the Company for the benefit of the Employees of the Company and its subsidiary company(ies) as well as to create, offer, issue and allot Employee Stock Options ("ESOPs") from time to time in one or more tranches and on such terms and conditions, as may be in accordance with the Act, the SEBI SBEB Regulations and Applicable Laws, to the eligible employees, present and future, under ESOS 2023, for not exceeding an overall limit of 0.5% the paid-up equity capital of the Company as on January 1, 2023.

For **Chandrasekaran Associates**
*Company Secretaries*
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**
*Senior Partner*
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000370364

Date: May 27, 2023
Place: Delhi

**Note:**

1. This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.
2. We have 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, 2023 pertaining to Financial Year 2022-23.

## Annexure-A

To,
The Members
**Greenlam Industries Limited**
203, 2nd Floor, West Wing, Worldmark 1,
Aerocity, IGI Airport, Hospitality District,
New Delhi – 110037, India

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. 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 are the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
*Company Secretaries*
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**
*Senior Partner*
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644E000370364

Date: May 27, 2023
Place: Delhi

# Annexure-V

## Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

### (A) Conservation of Energy

**(i) Steps taken or impact on conservation of energy:**

1. The Company maintained power consumption per unit of of paper consumed even after addition of various machineries in manufacturing locations.
2. There is a huge saving of about 18000 KL of ground water withdraw during the financial year 2022-23. This conservation has further reduced the per capita water consumption by 1.4 litre on every sheet produced. The main contributors for this are:
   a. Reuse of treated effluent waters in cooling towers
   b. Multi stage RO treatment and reuse of the resultant waters
   c. The plant at Prantij is operated by High Pressure Hot water system right from the beginning.

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

We are continuously using the existing solar power generation unit which produces 995 KW of power annually.

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

The capital investment on this front during the financial year is ₹1.3 crores.

### (B) Technology Absorption:

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

1. We have developed few in house technologies which helped us to introduce the following products:
   a. Fire Rated and other products for RailCoach building and compliances
   b. Developed and introduced complete solutions of interior clads
   c. New general purpose door designs range in Mikasa Doors & Frames
   d. Weathered Collection and Artey Collection in Mikasa Flooring
2. Other products in introduction stage:
   a. Horizontal Grade Exterior Compact Laminates for use on outdoor furniture and allied applications
   b. High end and special designer doors and frames ranges designed by internationally renowned architects.

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

a. Regionally sourced Paper inputs have gone up substantially resulting into leap in import substitution..

b. Owing to the sustainability drive, we have been awarded GreenPro and GRIHA certification for aspects like water conservation, bio fuel usage and wastage reduction.

c. The newly developed products not only contributed towards technical usage but also enhances architectural and green attributes.

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

a. Details of technology imported: None

b. Year of import: Not applicable

c. Whether the technology been fully absorbed: Not applicable

d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof: Not applicable

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

a. Capital: Nil.

b. Recurring: ₹18 lakh

## (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, 2023 | March 31, 2022 |
|---|---|---|
| Earnings on account of: | | |
| a) FOB value of exports | 72,065.30 | 64,423.85 |
| b) Corporate Guarantee/SBLC Commission | 33.68 | 46.77 |
| c) Others- Dividend | 1,508.80 | 1,096.74 |
| **Total** | **73,607.78** | **65,567.36** |
| Outgo on account of: | | |
| a) Raw materials | 35,773.20 | 40,768.52 |
| b) Capital goods | 349.10 | 269.87 |
| c) Traded goods | - | - |
| d) Stores & spare parts | 130.90 | 203.87 |
| e) Others | 1,233.52 | 443.83 |
| **Total** | **37,486.71** | **41,686.09** |

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

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

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

Place: New Delhi
Date: May 27, 2023

# Annexure VI

## A. Particulars of employees for the year ended March 31, 2023 as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & 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 2022-23 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 | 5.50 |
| 2. | Mr. Saurabh Mittal | Managing Director & CEO | 186.24 |
| 3. | Ms. Parul Mittal | Whole-time Director | 100.77 |
| 4. | Mr. Sandip Das | Independent Director | 6.52 |
| 5. | Ms. Matangi Gowrishankar | Independent Director | 6.00 |
| 6. | Mr. Yogesh Kapur | Independent Director | 6.16 |
| 7. | Mr. Vijay Kumar Chopra^ | Independent Director | 2.56 |

*^ Mr. Vijay Kumar Chopra ceased to be an Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure. The details are provided till the date of his tenure in the Company.*

### ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23:

| Sl. No. | Name of Director/KMP | Designation | % increase in Remuneration in the financial year 2022-23 |
|---|---|---|---|
| 1. | Mr. Shiv Prakash Mittal | Non-Executive Chairman | (1.23) |
| 2. | Mr. Saurabh Mittal | Managing Director & CEO | 36.93 |
| 3. | Ms. Parul Mittal | Whole-time Director | 23.20 |
| 4. | Mr. Sandip Das | Independent Director | 2.14 |
| 5. | Ms. Matangi Gowrishankar | Independent Director | (2.94) |
| 6. | Mr. Yogesh Kapur* | Independent Director | 65.84 |
| 7. | Mr. Vijay Kumar Chopra^ | Independent Director | (56.96) |
| 8. | Mr. Ashok Kumar Sharma | Chief Financial Officer | 8 |
| 9. | Mr. Prakash Kumar Biswal | Company Secretary & Vice President - Legal | 15 |

*^ Mr. Vijay Kumar Chopra ceased to be an Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure.*

**Mr. Yogesh Kapur was appointed as Independent Director of the Company with effect from August 12, 2021.*

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

During the financial year 2022-23, the median remuneration of employees of the Company was increased by 10%.

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

As on March 31, 2023, there were 2,249 permanent employees on the rolls of the Company.

### v. Average percentile of increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in salary of the Company's employee (other than the managerial personnel) during the financial year 2022-23 was approximately 11.41%. The total managerial remuneration for the financial year 2022-23 was increased by 27.75% to ₹13,80,55,692 as against ₹10,80,72,110/- during the financial year 2021-22.

During the financial year 2022-23, there was no increase in the fixed remuneration of Mr. Saurabh Mittal, Managing Director & CEO and Ms. Parul Mittal, Whole-time Director of the Company i.e. Executive Directors of the Company. The increase in their total remuneration represents the increase in the amount of annual commission payable to them which is linked with profitability of the Company.

Non-Executive Directors including Independent Directors were paid remuneration by way of sitting fees for attending the Board and Committee Meetings held during the financial year 2022-23 and annual

commission in accordance with the approval obtained from shareholders of the Company. There is no change in amount of annual commission paid to Non-Executive Directors from previous year.

**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, 2023 is as per the Remuneration Policy of the Company.

## B. Particulars of employees for the year ended March 31, 2023 as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & 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 | 47 | Managing Director & CEO | 8,19,48,000 | B.Com | 26 | 01/04/2002 | HG Industries Limited |
| 2. | Ms. Parul Mittal | 45 | Whole-time Director | 4,43,40,000 | B.Com | 21 | 11/11/2014 | Greenply Industries Limited |
| 3. | Mr. Pankaj Rishi | 53 | COO-Middle East & North Africa | 2,53,73,919 | BA, MBA | 31 | 01/12/2016 | Engineering Building Materials Co. WII |
| 4. | Mr. BL Sharma | 66 | Head of Manufacturing | 2,36,45,756 | B.Sc., LLB, MBA | 42 | 01/09/2013 | Stylam Industries Limited |
| 5. | Mr. Anuj Sangal | 55 | Country Head - Laminates & Allied | 1,97,60,778 | BE (Civil), MBA | 30 | 01/04/2015 | Mayur Ply Industries Private Limited |
| 6. | Mr. Ashok Kumar Sharma | 54 | Chief Financial Officer | 1,41,51,962 | CA | 30 | 23/12/2013 | Su-Kam Power System Limited |
| 7 | Mr. Vikas Marwaha | 57 | Country Sales Head | 85,39,508 | PGDMM | 34 | 14/04/2021 | Everest Industries Limited |
| 8 | Mr. Prashant Prakash Srivastava | 47 | Vice President-HR Admin CSR | 81,94,785 | PGDPM | 24 | 23/06/2016 | Orient Electric |
| 9. | Mr. Lokesh Dutt | 55 | Senior Vice President – Exports | 80,53,843 | B. Tech, B.E. | 30 | 05/04/1993 | HG Industries Limited |
| 10. | Mr. M P Raja Prasad | 55 | Senior Vice President-Decorative Wood & Allied | 77,26,978 | MBA/PGDM | 31 | 08/08/2008 | Videocon Industries Ltd. |

**Notes:**

1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission and other perquisites as per the terms of employment. However, the above remuneration does not include provision for gratuity and expenses towards club membership fees.
2. All the employees have requisite experience to discharge the responsibility assigned to them.
3. Nature and terms of employment are as per resolution/appointment letter.
4. None of the employee, as referred under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, owns 2% or more of the equity shares of the Company as on March 31, 2023.
5. Within the meaning of Section 2(77) of the Companies Act, 2013, Mr. Shiv Prakash Mittal, Mr. Saurabh Mittal and Ms. Parul Mittal are the directors of the Company and are related to each other.

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

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

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

Place: New Delhi
Date: May 27, 2023

## Annexure-VIII

# FORM NO. MR-3

***SECRETARIAL AUDIT REPORT***

***FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023***

*[Pursuant to Section 204(1) of the Companies Act, 2013 read with rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015]*

To
The Members
**GREENLAM SOUTH LIMITED**
(CIN: U21096AS2019PLC019584)
Makum Road, Tinsukia,
Assam – 786 125

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 compliance(s) and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** 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 Company for the financial year ended on 31st March, 2023 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 there under; **(not applicable to the Company during the period under review)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company during the period under review)**

(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") **(not applicable as the Company is an Unlisted Public Company):-**

(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;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Other Laws applicable specifically to the Company:

The management confirms that there are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

**We report that** during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

**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 the 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 Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period under review, the following specific events / actions having major bearing on the Company's affairs had taken place:

(i) During the period under review the Company has allotted the following shares on Right Basis:

   a. allotted 5,68,307, 0.01% Optionally Convertible Non-Cumulative Preference Shares ('OCPS') of ₹10/- each at a premium of ₹260/- per OCPS, aggregating to ₹15,34,42,890/-, on Rights basis to Greenlam Industries Limited, Holding Company ('Greenlam') on May 05, 2022.

   b. allotted 4,05,934, OCPS of ₹10/- each at a premium of ₹440/- per OCPS, aggregating to ₹18,26,70,300/-, on Rights basis to Greenlam, on July 20, 2022.

   c. allotted 4,87,121, OCPS of ₹10/- each at a premium of ₹440/- per OCPS, aggregating to ₹21,92,04,450/-, on Rights basis to Greenlam, on August 31, 2022.

   d. allotted 73,068, OCPS of ₹10/- each at a premium of ₹440/- per OCPS, aggregating to ₹3,28,80,600/-, on Rights basis to Greenlam, on October 07, 2022.

   e. allotted 8,93,054, OCPS of ₹10/- each at a premium of ₹440/- per OCPS, aggregating to ₹40,18,74,300/-, on Rights basis to Greenlam, on February 01, 2023.

   f. allotted 12,25,921, OCPS of ₹10/- each at a premium of ₹440/- per OCPS, aggregating to ₹55,16,64,450/-, on Rights basis to Greenlam, on March 25, 2023.

(ii) The Board of Directors of the Company at their meeting dated December 22, 2022, approved to issue:

   a. up to 450,000 unlisted, fully paid up, collateralised, redeemable, non-convertible debentures of a face value of INR 1,000/- each on a private placement basis, aggregating to not more than INR 450,000,000/- ("Series A Debentures"),

   b. up to 450,000 unlisted, fully paid up, collateralised, redeemable, non-convertible debentures of a face value of INR 1,000/- each on a private placement basis, aggregating to not more than INR 450,000,000/- ("Series B Debentures"),

   c. up to 450,000 unlisted, fully paid up, collateralised, redeemable, non-convertible debentures of a face value of INR 1,000/- each on a private placement

basis, aggregating to not more than INR 450,000,000/- ("Series C Debentures"),

d. up to 300,000 unlisted, fully paid up, collateralised, redeemable non-convertible debentures of a face value of INR 1,000/- each on a private placement basis, aggregating to not more than INR 300,000,000/- ("Series D Debentures", and together with the Series A Debentures, Series B Debentures and the Series C Debentures, the "Debentures") to International Finance Corporation and their assigns and transferees.

(iii) The Board of Directors and members of the Company at their respective meetings approved the shifting of Registered Office of the Company from the State of Assam to the National Capital Territory ('NCT') of Delhi and consequent alteration in the Memorandum of Association of the Company. Subsequently, The Company has filed the requisite forms, inter alia, e-Form INC-23 with the Regional Director (North Eastern Region) and the same is pending for approval.

For **DKS & Co.**

_____

**DILIP KUMAR SARAWAGI**
Mem. No.: A13020; C.P. No.: 3090
UDIN: A013020E000372588
PR- 2106/2022

Place: Kolkata
Date: May 26, 2023

**NOTE**:
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.

## 'Annexure A'

To
The Members
**GREENLAM SOUTH LIMITED**
(CIN: U21096AS2019PLC019584)
Makum Road, Tinsukia,
Assam – 786 125

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DKS & Co.**

**DILIP KUMAR SARAWAGI**
Mem. No.: A13020; C.P. No.: 3090
UDIN: A013020E000372588
PR- 2106/2022

Place: Kolkata
Date: May 26, 2023

# Management Discussion and Analysis 2022-23

## Global economy

Overview: The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

## Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth is expected to contract from 8% in 2021 to 3% in 2022.

United Kingdom: GDP is expected to grow 4.1% in 2022 compared to 7.6% in 2021

Japan: Reported growth of 1.7% in 2022 compared to 1.6% in 2021

Germany: Reported GDP growth of 1.8% compared to 2.6% in 2021

(Source: PWC report, EY report, IMF data, OECD data)

**Outlook:** The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF).

## Indian economy

**Overview:** Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India reported an economic growth of 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India had retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

| | FY 20 | FY 21 | FY 22 | FY23 |
|---|---|---|---|---|
| Real GDP growth(%) | 3.7 | -6.6% | 8.7 | 7.2 |

Growth of the Indian economy quarter by quarter, FY 2022-23

| | Q1 FY23 | Q2 FY23 | Q3 FY23 | Q4 FY23 |
|---|---|---|---|---|
| Real GDP growth (%) | 13.1 | 6.3 | 4.4 | 6.1 |

*(Source: Budget FY24; Economy Projections, RBI projections)*

India's exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 percent over the same period of the previous year. As India's domestic demand remained steady amidst a global slowdown, imports in April-February 2022-23 were estimated to have grown 19.93 percent over the corresponding period of the previous year. India's exports in FY2021-22 were $676 billion and likely to achieve a record $750 bn in FY23.

Till Q3, FY23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP from $22.2 billion (2.7% of GDP) a year ago. India's fiscal deficit was estimated in nominal terms at ~ Rs 17.55 lakh crore and 6.4% of GDP for the year ending March 31, 2023.

India's currency weakened from ₹75.91 to a US dollar to ₹82.34 as on 31 March 2023 due to a stronger dollar and weaker current account deficit.

The country's retail inflation, measured by the consumer price index (CPI) eased to 5.66% in March 2023. Inflation data on the wholesale Price Index (which calculates the overall prices of goods before selling at retail prices) eased to 4.73% during the period. In 2022, CPI hit its highest of 7.79% in April 2022; WPI reached its highest of 15.88% in May 2022.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

Per capita income almost doubled in nine years to Rs 172,000 during the year under review, a rise of 15.8 percent over the previous year. India's GDP per capita

was 2,320 USD (March 2023), close to the magic figure of $2500 when consumption spikes across countries.

**Outlook:** India is expected to grow 6.8% in FY2024, catalysed by 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficits. Headline and core inflation rates could trend down. Private sector investments could revive.

According to the World Bank April 2024 projections, India's GDP is projected to expand by 6.3 percent In FY24, supported by domestic demand and increased public investment. India's retail inflation rate could decline from 6.6 percent to 5.2 percent in FY24.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing their highest inflation in 40 years.

India's production-linked incentive appeared to catalyse downstream sectors. Inflation was steady. India was at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India was poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The protracted geopolitical tensions, tightening global financial conditions and slowing external demand are the downside risks.

## Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy through projects like PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. The capital expenditure of the Indian government expanded 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly ₹20,000 crores was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for the national highways network. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors.

## Global furniture market overview

The global furniture market is expected to grow at a CAGR of 3.76% from 2022-27 and reach USD 505.13 Bn in 2027 from USD 420 Bn in 2022.

This growth is attributed to the increasing demand for homes and rise in disposable incomes, which is expected to enhance the demand for furniture. In addition to this, companies have started re-opening offices which has further contributed to the global demand.

The worldwide home furniture market size is expected to increase by USD 105.01 billion between 2022 and 2027, progressing at a CAGR of 5.34% during the period due to the global increase in internet penetration which spurred the popularity of e-commerce. A number of global entities have invested in their online channels on the back of the pandemic, revolutionizing the furniture industry. The increasing number of online startups for renting and retailing furniture is also expected to contribute to the growth of the furniture.

The global office furniture industry was valued at approximately $60.8 billion in 2022 and is projected to grow to $77.4 billion by 2028, growing at 4.05% annually from 2023 to 2028. The surge in new office constructions, expansion of IT parks and commercial areas are major factors contributing to the global demand for office furniture.

The furniture industry has seen substantial growth in Asia and North America over the past ten years. Exports have increased in tandem with production and imports have continued to rise, with the major importers being the United States, Germany, France, United Kingdom and Canada.

In the United States, online furniture sales only make up a small percentage of total sales. However, the pandemic resulted in a major increase in online sales as a portion of the physical supply chain was disrupted.

The United States accounts for the largest share of the global furniture market, estimated at USD 226.78 billion, followed by China and Germany followed in second and third place, respectively, with revenues of 72.5 billion and 53.5 billion dollars. (Source: Statista, Yahoo Finance, Globe News Wire, businesswire.in)

## Indian furniture industry overview

The Indian furniture market was pegged at US$ 55 billion in 2020 and is expected to grow at a CAGR of 12.91% between 2020-24.

The household furniture market has been thriving due to the growth of the middle-class, increased disposable income and a rising number of urban homes. The need for modern, adjustable furniture in

urban areas, growing urbanization and the popularity of hybrid sealing furniture have been key drivers in the Indian furniture market. By 2031, it is estimated that 75 % of India's population will be living in urban areas. The trend towards online and mobile shopping is expected to further drive demand, along with the tourism, hospitality and corporate sectors.

India's first ever furniture park was inaugurated in Thoothukudi, Tamil Nadu with 33 companies signing the Memorandum of Understanding(MoU) with ₹4,755 crore investment.

This park expects to address 70-80 per cent of the raw material demand and effectively bring down production costs and enhance competitiveness. The first phase of the park, with ₹1,500-1,800 crore investment, generating employment for 1.1-1.5 lakh people, is expected to operational in the next four to five years, while the second phase is expected to be operational in eight to ten years with ₹3,500 crore-4,500 crore investment, generating employment for 3-3.50 lakh people.

The Indian government has recognized the furniture industry as a significant player in promoting 'Make in India' products globally, with India emerging as one of the fastest growing economies of the world. The government is planning to bring the furniture industry under the PLI scheme, which is expected to boost further growth and play a vital role in India becoming the world's largest furniture consumer market by 2030.

(Source: ibef.org, Statista, The Hindu Businessline)

## Global laminates market overview

The global decorative laminates market was US$ ~8 billion by revenue in 2021 and is expected to grow at a 4.55% CAGR to reach US$ ~10 billion in 2030.

Decorative laminates, which are especially designed laminated sheets used for furniture surfaces and wall paneling, are growing in popularity due to their large variety, durability, affordability, long shelf life and aesthetic appeal. The rising standards of consumer living and growing demand for ready-to-assemble furniture and cabinets are driving the growth of this market. Moreover, there has been a marked shift in consumer behavior who are choosing quality over price sensitivity and are willing to pay extra bucks for. Laminates are a cost-effective option as they are moisture-proof, abrasion- and impact-resistant and require little to no maintenance.

Additionally, decorative laminates are widely used in various commercial spaces such as hotels, hospitals, shopping malls, airports and educational institutions due to their wide range of design options and versatility.

(Source: imarcgroup.com, Globalnewswire)

## Global veneers market overview

Veneer is a durable and versatile material that can be used in numerous ways to give a natural and aesthetically pleasing look to surfaces of furniture, cabinets and walls. The market for decorative veneers reached a value of US$6,843 million in 2020 and is projected to reach US$7,545.8 million by 2027. The demand for decorative veneers is on the rise due to several factors including their wide range of available options, durability, and their eco-friendly nature as a sustainable alternative to hardwood. The Asia-Pacific is expected to dominate the veneer market in the coming years with India being at the forefront in terms of demand growth in residential, leisure parks, retail, office etc.

In the construction industry, veneer sheets find extensive applications for paneling, cladding, and furniture purposes. Therefore, traction in the construction industry will directly harness the demand for veneers. The global construction industry recorded a value of US$9.7 trillion in 2022, with a projected growth to US$13.9 trillion by 2037. This growth is driven by prominent countries such as China, the US, and India, among others.

(Source: marketwatch.com, Data Bridge, Oxford Economics)

## Global engineered wooden flooring market

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. This growth is driven by large collection, dimensional stability, polished and attractive appearance, ease of installation and ability to with stand high volumes of foot traffic in various settings.

The demand for flooring products is primarily centered in countries such as the US, Japan, China, the UK, Germany and France. The Asia-Pacific region is the quickest growing segment, influenced by urbanization, real estate growth and the growing demand for tropical wood flooring. There has been a rise in the usage of flooring products in developing Asian economies like India, due to the traction from industrial and residential sectors.

(Source: Mordor Intelligence, MarketWatch, globalnewswire)

## Global engineered wooden doors market

Engineered doors are becoming increasingly popular worldwide, primarily because they can be produced in large quantities with factory finishes in a short amount of time. Additionally, they can be fabricated off-site and precisely machined to

the required specifications. The use of engineered wood in the manufacturing of doors is on the rise, which is contributing to making home affordability, reconstruction, renovation and remodeling of older buildings more accessible.

(Source: Coherentmarketinsights.in)

## Indian market overview

### Laminates

The Indian decorative laminates market is valued at 12,000 crore and is growing attractively. This growth is due to factors such as increasing urbanization, adoption of higher living standards and shifting preference for modern home furnishings. The possibility of the government of India bringing the laminates sector under the PLI scheme in the near future is further expected to contribute to its growth.

(Source: The Hindu Business Line)

### Decorative veneers

Consumers are increasingly opting for decorative veneers due to their durability, elegant finish and environmentally-friendly nature. sustainable nature. Going forward, the demand for veneers is expected to be propelled by the increasing demand for luxury homes, higher disposable income and the growth of upscale shopping malls, premium retail stores, hotels and other establishments arising from the increasing pace of urbanization.

(Source: imarcgroup.com, futuremarketinsights.com)

### Flooring and doors

The market demand for engineered wood flooring and doors is projected to grow due to their increasing popularity as an affordable alternative to hardwood flooring. Engineered wood's high durability and low maintenance requirements are also significant factors contributing to its rising demand. Furthermore, the expanding population and the growing need for housing are expected to drive the demand for wooden flooring and doors even higher.

(source: grandviewresearch.com)

## Growth drivers

**Rising population:** In April 2023, India has overtaken China as the world's most populous country with a population of 1.4286 billion. This is expected to lead to a greater demand in the construction industry for the building of homes and public infrastructure.

**Urbanisation:** As of 2020, around one-third of India's population was likely living in cities. By 2031, 75% of India's national income is expected to come from cities.

**Growing middle class income:** India is expected to form 23% of the global middle class, leading to an increase in households earning between USD10,000 and USD50,000 per year, expanding the wallet share for spending on home or office interiors

**Demographic dividend:** In 2022, the average age of an Indian was 28.7 years. More than half of India's population is under 25 years of age, fostering demand for ready-made furniture compared to traditional carpentry

**Rise in demand for houses:** The Indian real estate market is expected to reach a value of US$ 30 trillion by 2030. This will, in turn, drive the demand for Indian furniture.

**Medical tourism:** The medical tourism sector is predicted to increase at a CAGR of 21.1% from 2020-27 with a greater number of people coming into India from foreign places to avail treatment of major diseases at a reasonable cost.

**Hospitality sector demand:** The travel market in India is projected to reach US$ 125 billion by FY27 from an estimated US$ 75 billion in FY20. International tourist arrivals are expected to reach 30.5 million by 2028.

**Traction in commercial space:** Over 60 million square feet of office space will be occupied in both metro and non-metro cities in 2023 with top occupants being consulting, e-commerce, business process management and IT.

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

## Company overview

Greenlam Industries Limited is a comprehensive provider of surfacing products and has become the largest producer of laminates in Asia and one of the top three globally, as well as India's leading decorative veneer brand. It is also the sole manufacturer of engineered wooden flooring and the first organized manufacturer of engineered wooden doors in India.

With an annual production capacity of 19.2 million sheets for laminates, 4.20 million square meters for decorative veneer, 1.00 million square meters for engineered wooden flooring and 0.12 million doors and frames, the company operates cutting-edge manufacturing facilities in Behror, Rajasthan Nalagarh, Himachal Pradesh and Prantij, Gujarat. Greenlam's products not only transform the spaces but also improve lifestyles.

## Laminates and allied segment

Manufacturing facilities: Behror, Rajasthan, Nalagarh, Himachal Pradesh and Prantij, Gujarat

Installed capacity: 19.02 million sheets per annum as on March 31, 2023

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

Production during FY2022-23: 17.40 million sheets

Production growth over FY 2021-22: 3.7%

Capacity utilisation: 99%

Sales volume, FY2022-23: 17.03 million sheets

Sales volume growth over FY2021-22: 3.2%

Revenues, FY2022-23: ₹1677.7 crore

Segment contribution to total revenues, FY2022-23: 90.6%

Revenue growth, FY 2021-22: 18.6%

**9000** ₹cr, total size of the domestic market in India

**3000** ₹cr, total exports from India

**3000** ₹cr, share of the unorganized market in India

**6000** ₹cr, share of the organized market in India

## Overview

Greenlam retained its position as the leading brand in the decorative laminates segment, recognised for its ability to bring a variety of best laminates to the market.

## Outlook

The Company plans to strengthen relationships with trade influencers such as carpenters, architects and interior designers, increase the percentage of premium laminates in its product portfolio, improve its visibility on social media platforms and enhance trade confidence through the use of QR codes on its products.

## Decorative veneers business

Manufacturing facilities: Behror, Rajasthan

Installed capacity: 4.20 million square meters per annum

Brand: Decowood

Production during FY2022-23: 1.24 million square meters

Production growth over FY2021-22: 11.5%

Capacity utilisation: 29.0%

Sales Volume, FY2022-23: 1.21 million square meters

Sales volume growth over FY2021-22: 11.4%

Revenues, FY2022-23: ₹106.7 crore

Segment contribution to total revenues, FY2022-23: 5.8%

Revenue growth, FY2022-23: 27.5%

## Overview

Greenlam retained its position as the leading manufacturer of veneer in India with an installed capacity of 4.20 million square meters per annum. The market is being propelled by two main factors, namely the growth in affluence and income levels. Additionally, there is an increase in demand from the residential and hospitality segments, which is providing a further boost to this sector.

## Outlook

By utilizing its extensive product range, the Company is expecting to enhance its phygital (physical and digital) engagement and expand product access and demand. The Company has plans to grow its veneers business through retail and brand outreach programs, with the goal of achieving attractive growth in this segment.

## Engineered wooden floors business

Manufacturing facilities: Behror, Rajasthan

Installed capacity: 1.00 million square meters per annum

Brand: Mikasa

Production during FY2022-23: 0.11 million square meters

Production de-growth over FY2021-22: 4.5%

Capacity utilisation: 11%

Sales Volume, FY2022-23: 0.11 million square meters

Sales volume de-growth over FY2021-22: 3.0%

Revenues, FY2022-23: ₹42.4 crore

Segment contribution to total revenues, FY2022-23: 2.3%

Revenue growth, FY2022-23: 19.5%

## Overview

Engineered wooden floors offer several advantages such as a premium aesthetic appeal and easy installation. Greenlam is the sole manufacturer of this product in India, with a manufacturing capacity of 1.00 million square meters per annum. The Company witnessed a value growth in terms of realisations even if there was a de-growth in terms of quantity.

The Company's products are designed to withstand the typical climatic changes in the country. The Company's Mikasa brand provides customers with a unique selling proposition, a wide range of products, support with installation and warranties of up to 30 years, thereby offering peace of mind to consumers.

## Outlook

The Indian wooden flooring market is expected to witness significant growth, driven by the expansion of the hospitality sector in the country. Greenlam plans to introduce new products and collections while focusing on consistent communication about its offerings.

## Engineered wooden doors business

Manufacturing facilities: Behror, Rajasthan

Installed capacity: 0.12 million doors per annum

Brand: Mikasa

Production during FY2022-23: 18388 units

Production de-growth over FY2021-22: 14.0%

Capacity utilisation: 15%

Sales Volume, FY2022-23: 16916 units

Sales volume de-growth over FY2021-22: 22.1%

Revenues, FY2022-23: ₹24.3 crore

Segment contribution to total revenues, FY2022-23: 1.3%

Revenue de-growth, FY2022-23: 4.9%

## Overview

The Indian doors segment is experiencing significant growth, driven by factors such as increasing urbanization and growth in middle-class income. In a market dominated by traditional flush doors, Greenlam introduced a revolutionary concept with its Mikasa doors and frames. These doors and frames are an upgraded version of traditional carpentry and they offer superior quality. Additionally, they are delivered in a ready-to-install integrated set, making them a convenient and efficient option for customers

## Outlook

The traction in the real estate sector is expected to boost the demand of this segment.

## Financial overview

Revenue from operations of the Company grew 18.7% from ₹1559.2 crore in FY 2021-22 to ₹1851.1 crore in FY 2022-23. The EBITDA margin of the Company improved 20 basis point from 10.4% in FY2021-22 to 10.6% in FY2022-23.

## Key ratios

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Gross Debt-equity ratio[1] | 0.35 | 0.52 |
| Net Debt-equity ratio[2] | 0.11 | 0.25 |
| Return on net worth (%)[3] | 13.1% | 13.8% |
| Book value per share (₹) | 73.63 | 51.36 |
| Debtors Turnover (days) | 25 | 29 |
| Inventory Turnover (days) | 89 | 104 |
| Interest Coverage Ratio[4] | 10.27 | 17.10 |
| Current Ratio | 1.61 | 1.66 |
| Operating Profit Margin (%) | 10.6% | 10.4% |
| Net Profit Margin (%) | 6.6% | 5.5% |

**Note:**

1. Decrease in Gross Debt-equity ratio was largely due to increase in equity base on account of increase in capital via preferential issue of equity shares.
2. Decrease in Net-Debt equity ratio was largely due to increase in equity base on account of increase in capital via preferential issue of equity shares and higher cash and cash equivalents.
3. Decrease in Return on Net worth was largely attributable to increase in equity base on account of increase in capital via preferential issue of equity shares.
4. Decrease in Interest coverage ratio was largely attributable to higher interest rates on account of increase in interest cost of borrowings and higher average debt during the year.

## Risks and concerns

Competition risk: Increasing competition may lead to reduction in the Company's market share.

Mitigation: Greenlam has a vast network of distribution and a wide range of products such as laminates, veneers, engineered wooden floors and doors categories, allowing the Company in deepening its market penetration. Moreover, emphasis on product quality and innovation is expected to growth across the market cycle.

Product risk: The Company's products may become redundant and decelerating business growth, leading to an excess in the inventory and a revenue erosion.

Mitigation: Greenlam considers not only current but also future trends while manufacturing its products. The company prioritizes product usability, quality, aesthetic appeal and price-value proposition. Furthermore, Greenlam offers a comprehensive range of products, including decorative laminates, veneers, engineered wooden floors and doors, positioning itself as a complete home decor solution provider.

Finance risk: The Company's inability to manage its debt could have a negative impact on the sustainability of its operations.

Mitigation: With the help of a robust receivable and payable management mechanism, the Greenlam's cash and liquid investment position as on 31 March, 2023 stood at ₹223.52 crore, ensuring an optimal financial stability. Moreover, the Company also benefits from a debt-service ratio of 4.55 and a healthy interest cover of 10.27 times.

Quality risk: Poor-quality product may have a severe impact on the products' sales and brand image.

Mitigation: The Company has state-of-the-art facilities manufacturing best quality products with national and international certification to ensure maximising of resource utilisation and minimisation of wastage.

Distribution risk: An inefficient distribution network may restrict the Company's geographical expansion.

Mitigation: Greenlam has over 23,000 dealers, distributors and retailers spread throughout India, which helps in maintaining a wide and robust logistics network, further helping in addressing the customer needs faster. Besides, the Company's presence in over 100 countries across the globe allows it to cater to a wide customer base.

Technology risk: Redundancy of technology could end up being a major bottleneck to the Company's competitiveness.

Mitigation: Greenlam has upgraded its IT infrastructure to the latest edition of SAP HANA as well as CRM and DMS to help enhance decision-making, improving efficiencies and ensuring access to real-time information.

## Human resources

Greenlam Industries Limited's human resource policies have reinforced its market leadership. The company invests in formal and informal training, on-the-job learning and creates a positive work environment with challenging job profiles and open communication with management. This has led to a high employee retention rate, promoting internal leadership and enhancing future prospects. As of March 31, 2023, the company's total number of payroll employees was 2249.

## Opportunities

Greenlam Industries Limited is expected to benefit from the change in consumer behavior where there is a greater preference for superior quality rather than lowest price available. This is expected to drive consumers from the unorganized sector to the organized sector. With its commitment to quality, innovation and customer satisfaction, Greenlam is well-positioned to emerge as a leading player in the industry, both locally and internationally.

## Threats

Imports raw materials from neighboring countries may face regulatory restrictions, which could pose a challenge in a deeply price-competitive market and passing the entire increased costs to consumers may not be feasible.

## Internal control systems and their adequacy

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

# Corporate Governance Report

FOR THE FINANCIAL YEAR 2022-23

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 Independent Woman Director. As on March 31, 2023, 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 2022-23, Mr. Vijay Kumar Chopra ceased to be an Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure of second term as an Independent Director as per the provisions of Companies Act, 2013 (hereinafter referred to as 'Act') & relevant provisions of the SEBI Listing Regulations.

Further, the Nomination, Remuneration & Compensation Committee at their meeting held on February 01, 2023 and the Board of Directors of the Company at their meeting held on February 02, 2023, recommended the appointment of Mr. Rahul Chhabra (DIN: 10041446) as an Independent Director on the Board of Directors of the Company to the shareholders of the Company for their approval.

The shareholders have also approved the appointment of Mr. Rahul Chhabra as an Independent Director of the Company, not liable to retire by rotation on May 21, 2023, through remote e-voting postal ballot process, for a term of five years commencing from May 21, 2023 to May 20, 2028.

As on March 31, 2023, the composition of the Board is in accordance with Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Act including two woman directors on the Board wherein one is Executive Promoter Director and one is Non-Executive Independent Director. Accordingly, the requirements of having a woman independent director on its Board under Regulation 17(1)(a) of the SEBI Listing Regulations is already complied with.

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 meetings, 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 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 9th 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:

The Board of Directors of the Company met 6 (six) times during the FY 2022-23 as per the details given below:

- May 30, 2022
- June 20, 2022
- June 30, 2022
- July 26, 2022
- November 12, 2022
- February 02, 2023

During the financial year 2022-23, the time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days.

The composition of Board of Directors of the Company and the attendance of each Director at the Board Meetings held during the financial year 2022-23 and at the previous Annual General Meeting ("AGM") i.e. at the 9thAnnual Annual General Meeting ("AGM") held on August 10, 2022 and also the number of other Boards or Board Committees in which the Directors are member/chairperson as on March 31, 2023 are as follows:

| Sl. No. | Name of the Directors and DIN | Category of directorship | No. of Board Meeting(s) | | Attendance at the 9th AGM | No. of outside directorship(s)$ | | 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 | 6 | 6 | Yes | 1 | 4 | 2 | 0 |
| 2. | Mr. Saurabh Mittal [DIN: 00273917] | Managing Director & CEO-Promoter Director | 6 | 6 | Yes | 1 | 8^ | 0 | 0 |
| 3. | Ms. Parul Mittal [DIN: 00348783] | Whole-time Director-Promoter Director | 6 | 6 | Yes | 1 | 3 | 0 | 0 |
| 4. | Mr. Sandip Das [DIN: 00116303] | Non-Executive -Independent Director | 6 | 6 | Yes | 1 | 1 | 2 | 0 |
| 5. | Ms. Matangi Gowrishankar [DIN: 01518137] | Non-Executive -Independent Director | 6 | 6 | Yes | 6 | 4 | 4 | 1 |
| 6. | Mr. Yogesh Kapur [DIN: 00070038] | Non-Executive -Independent Director | 6 | 6 | Yes | 3 | 2 | 4 | 3 |
| 7. | Mr. Vijay Kumar Chopra* [DIN: 02103940] | Non-Executive -Independent Director | 4 | 4 | Yes | 2 | 2 | 2 | 2 |

*$Directorship includes Listed Companies including other Public Limited Companies.*

*@In accordance with Regulation 26 of SEBI Listing Regulations, Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Public Limited Companies have only been considered.*

*#Number of Membership also includes Chairmanship held in the Committee(s) in other Public Limited Companies.*

** Mr. Vijay Kumar Chopra ceased to be an Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure of second term as an Independent Director as per the provisions of Act*

*^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, 2023):**

| 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. Sandip Das (DIN: 00116303) | Sterlite Technologies Limited | Independent Director |
| 5. | 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 |
| | | Gujarat Pipavav Port Limited | Independent Director |
| 6. | Mr. Yogesh Kapur (DIN: 00070038) | Kirloskar Oil Engines Limited | Independent Director |
| | | ARKA FINCAP Limited | Independent Director |

**Listed entities also include Companies having debt securities listed on recognized 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 2022-23, all necessary information, as required under the applicable provisions of the Act, 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 2022-23, as per the requirement of Schedule IV of the Act and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on March 22, 2023 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, 2023, the shares of the Company held by Non-Executive Directors of the Company are as mentioned below:

| Sl. No. | Name of the Non-Executive Director | Number of Equity Shares held | Percentage (%) of Shareholding |
|---|---|---|---|
| 1. | Mr. Shiv Prakash Mittal | 25,30,000 | 1.99% |
| 2. | Mr. Sandip Das | 15,025 | 0.01% |

Further, none of the Director of the Company hold Non-Convertible Debentures of the Company.

**g) Familiarisation programme for Independent Directors:**

On an ongoing basis, the Company has conducted the Familiarization program for Independent Directors during the financial year 2022-23 in accordance with the provisions of Regulation 25(7) of SEBI Listing Regulations. The details for the same have been disclosed on the website of the Company and can be accessed through following link:

https://www.greenlamindustries.com/pdf-file/Details%20of%20Familiarization%20Programme%20imparted%20to%20Independent%20Directors.pdf

**h) Chart/matrix setting out the skills/expertise/competence of the Board of Directors:**

The Board has identified the following core skills, expertise, competencies as required in the context of the business of the Company and the sector in which the Company is operating:

| Sl. No. | Skills/Expertise/Competencies required by the Board of Directors | | Status of availability with the Board | Name of the Director possessing such skills |
|---|---|---|---|---|
| 1. | Understanding of Business/ Industry | Experience and knowledge of interior surface infrastructure businesses/ distribution/ marketing-domestic and international | Yes | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal |
| 2. | Strategy and strategic planning | Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies. | Yes | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Sandip Das<br>Ms. Matangi Gowrishankar<br>Mr. Yogesh Kapur |

| Sl. No. | Skills/Expertise/Competencies required by the Board of Directors | | Status of availability with the Board | Name of the Director possessing such skills |
|---|---|---|---|---|
| 3. | Critical and innovative thoughts | The ability to critically analyse the information and develop innovative approaches and solutions. | Yes | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Sandip Das<br>Ms. Matangi Gowrishankar<br>Mr. Yogesh Kapur |
| 4. | Financial Understanding | Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources. | Yes | Mr. Saurabh Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Yogesh Kapur<br>Mr. Sandip Das<br>Ms. Matangi Gowrishankar |
| 5. | HR/people orientation | Experience and understanding of HR policies, of leading and managing HR activities, talent development and strengthening the people function. | Yes | Mr. Saurabh Mittal<br>Ms. Parul Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Sandip Das<br>Ms. Matangi Gowrishankar<br>Mr. Yogesh Kapur |
| 6. | Risk and compliance oversight | Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks. | Yes | Mr. Saurabh Mittal<br>Mr. Shiv Prakash Mittal<br>Mr. Sandip Das<br>Ms. Matangi Gowrishankar<br>Mr. Yogesh Kapur |
| 7. | Technology orientation | Understanding of technology in a consumer environment. Knowledge and experience of impact of technology on consumer decision making | Yes | Mr. Sandip Das |

**i) Confirmation that in the opinion of the Board of Directors, the Independent Directors of the Company fulfils the conditions specified in the SEBI Listing Regulations and are independent of the management of the Company:**

The Company has received declarations pursuant to Section 149(6) and (7) of the Act read with Regulation 25(8) and 16(1)(b) of the SEBI Listing Regulations from all the Independent Directors and the same were placed before the Board of Directors in its meeting held on May 30, 2022. Based upon the declarations received from Mr. Sandip Das, Ms. Matangi Gowrishankar and Mr. Yogesh Kapur, it is confirmed that 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 2022-23, none of the Independent Directors of the Company have resigned from the Board of the Company, before the expiry of their tenure. However, Mr. Vijay Kumar Chopra ceased to be Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure of second term as an independent director as per the provisions of Act & relevant provisions of the SEBI Listing Regulations.

**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) |

| Name of the Directors | Category of Directorship | Relationship between Directors |
|---|---|---|
| Ms. Parul Mittal | Whole-time Director-Promoter Director | Mr. Shiv Prakash Mittal (Father-in-law) and Mr. Saurabh Mittal (Spouse) |
| Mr. Sandip Das | Non-Executive-Independent Director | None |
| Ms. Matangi Gowrishankar | Non-Executive-Independent Director | None |
| Mr. Yogesh Kapur | Non-Executive-Independent Director | None |
| Mr. Vijay Kumar Chopra* | Non-Executive-Independent Director | None |

**Mr. Vijay Kumar Chopra ceased to be Independent Director of the Company with effect from August 10, 2022 due to completion of his tenure*

## 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. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. 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 needs 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:

a) Audit Committee
b) Nomination, Remuneration & Compensation Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee
e) Operational & Finance Committee
f) Risk Management Committee

### a) Audit Committee

**Composition:**

As on March 31, 2023, 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. Yogesh Kapur | Independent Director | Chairman |
| 2. | Ms. Matangi Gowrishankar | Independent Director | Member |
| 3. | Mr. Sandip Das | Independent Director | Member |
| 4. | Mr. Saurabh Mittal | Executive-Promoter Director | Member |

Consequent upon the completion of tenure of second term of Mr. Vijay Kumar Chopra as an Independent Director at the 9th AGM of the Company held on August 10, 2022, the Audit Committee had been reconstituted with effect from July 27, 2022. Ms. Matangi Gowrishankar, Independent Director of the Company, had been inducted as a member of the Audit Committee and Mr. Yogesh Kapur, Independent Director of the Company, was appointed as a Chairman of the Audit Committee w.e.f. July 27, 2022.

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. All the members of the Audit Committee are financially literate and Mr. Yogesh Kapur, Chairman of the Audit Committee is a qualified Chartered Accountant and thus Company fulfils the requirement of appointing at-least one member having accounting or related financial management expertise.

**Terms of Reference ('TOR') of the Audit Committee are as follows:**

**Powers of the Audit Committee:**

- To investigate any activity within its terms of reference.
- To seek information required from any employee.
- To obtain external, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

**Role of Audit Committee:**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions;
    vii. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time;
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the Company and its shareholders.
23. The role of the Audit Committee with respect to risk management shall include:
    i. To evaluate the risk management system;
    ii. To review the risk assessment & minimization procedures across the Company;
    iii. To assist the Board in compliance with the risk management policy; and
    iv. To discuss and manage key risks.

**Review of information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;
b. Management letters/letters of internal control weaknesses issued by the statutory auditors;
c. Internal audit reports relating to internal control weaknesses;
d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
e. Statement of deviations:
    i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
    ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

**Meetings and attendance:**

During the financial year 2022-23, 5 (five) meetings of the Audit Committee were held on May 28, 2022; June 29, 2022; July 26, 2022; November 12, 2022; and February 01, 2023.

| Name of the Committee Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Yogesh Kapur | Non-Executive-Independent Director | 5 | 5 |
| Ms. Matangi Gowrishankar* | Non-Executive-Independent Director | 2 | 2 |
| Mr. Sandip Das | Non-Executive-Independent Director | 5 | 5 |
| Mr. Saurabh Mittal | Executive-Promoter Director | 5 | 5 |
| Mr. Vijay Kumar Chopra** | Non-Executive-Independent Director | 3 | 3 |

**Ms. Matangi Gowrishankar, Independent Director of the Company inducted as a member of the Audit Committee w.e.f. July 27, 2022.*

***Consequent upon cessation of Mr. Vijay Kumar Chopra as Director due to completion of his tenure with effect from August 10, 2022, he automatically ceases to be Chairman of the Audit Committee*

## b) Nomination, Remuneration & Compensation Committee

**Composition:**

As on March 31, 2023, the Nomination, Remuneration & Compensation Committee of the Company comprises of 3 (three) directors as follows:

| Sl. No. | Name of the Committee Members | Category | Designation |
|---|---|---|---|
| 1. | Mr. Sandip Das | Non-Executive-Independent Director | Chairman |
| 2. | Ms. Matangi Gowrishankar | Non-Executive-Independent Director | Member |
| 3. | Mr. Shiv Prakash Mittal | Non-Executive-Promoter Director | Member |

Mr. Prakash Kumar Biswal, Company Secretary & Vice President - Legal of the Company, acts as the Secretary to the Nomination, Remuneration & Compensation Committee.

**Terms of Reference of the Nomination, Remuneration & Compensation Committee:**

The Nomination, Remuneration & Compensation 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, Remuneration & Compensation 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, Remuneration & Compensation Committee.
8. To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
9. To recommend to the board, all remuneration, in whatever form payable to the senior management.
10. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates

**Meetings and Attendance:**

During the financial year 2022-23, 3 (three) meetings of Nomination, Remuneration & Compensation Committee were held on May 27, 2022; November 12, 2022 and February 01, 2023 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 | 3 | 3 |
| Mr. Shiv Prakash Mittal | Non-Executive-Promoter Director | 3 | 3 |
| Ms. Matangi Gowrishankar | Non-Executive-Independent Director | 3 | 3 |

### 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, Remuneration & Compensation Committee in compliance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. This policy applies to all the "Executives" of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter. In keeping with the provisions of Section 178 of the Act, 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, 2023 is as follows and the same is within the ceiling prescribed under applicable provisions of the Act.

| Name and Designation | Service Contract /Notice Period* | Salary (₹) | Commission (₹) | Provident Fund (₹) | Perquisites and other allowances (₹) |
|---|---|---|---|---|---|
| Mr. Saurabh Mittal (Managing Director & CEO) | Re-appointed as Managing Director & CEO for five years w.e.f. November 11, 2019 | 2,44,14,720 | 5,55,00,000 | 20,33,280 | Nil |
| Ms. Parul Mittal (Whole-time Director) | Re-appointed as Whole-time Director for five years w.e.f. November 11, 2019 | 1,20,00,000 | 3,09,00,000 | 14,40,000 | 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 2022-23 are as follows

| Name and Designation | Service Contract /Notice Period* | Sitting Fees paid (₹) | Commission paid/ payable (₹) | Number of shares and convertible instruments held in the Company |
|---|---|---|---|---|
| Mr. Shiv Prakash Mittal | Retire by rotation | 6,20,000.00 | 18,00,000.00 | 25,30,000 equity shares |
| Mr. Vijay Kumar Chopra | Re-appointed for 3 years as an Independent Director at the 6th Annual General Meeting of the Company held on August 10, 2019 and ceased to be an Independent Director w.e.f. August 10, 2022 due to completion of his tenure | 4,70,000.00 | 6,57,692.00 | 2500 equity shares (Status till August 10, 2022) |
| Mr. Sandip Das | Appointed for 5 years as Independent Director at the Board Meeting of the Company held on June 13, 2019 | 10,70,000.00 | 18,00,000.00 | 15025 equity shares |
| Ms. Matangi Gowrishankar | Appointed for a term of five consecutive years with effect from the conclusion of 7th Annual General Meeting (AGM) till the conclusion of 12th AGM, by the Members of the Company in the 7th AGM held on August 28, 2020 | 8,40,000.00 | 18,00,000.00 | Nil |
| Mr. Yogesh Kapur | Appointed for a term of 5 (five) consecutive years with effect from the conclusion of 8th Annual General Meeting (AGM) till the conclusion of 13th AGM or expiry of 5 years from 8th AGM, whichever is earlier, by the Members of the Company in the 8th AGM held on August 12, 2021 | 9,10,000.00 | 18,00,000.00 | 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 options to its Directors.

The criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at www.greenlamindustries.com.

### c) Stakeholders' Relationship Committee

**Composition:**

As on March 31, 2023 the Stakeholders' Relationship Committee of the Company comprises of 2 (two) promoter Directors and 1 (one) Independent Director of the Company.

| Sl. No. | Name of the Committee Members | Category | Designation |
|---|---|---|---|
| 1. | Mr. Shiv Prakash Mittal | Non-Executive-Promoter Director | Chairman |
| 2. | Mr. Saurabh Mittal | Executive-Promoter Director | Member |
| 3. | Mr. Yogesh Kapur | Non-Executive-Independent Director | Member |

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. Review the impact of enactments/amendments issued by the MCA/SEBI and other regulatory authorities on matters concerning the investors in general;

xiii. Such other matters as per the directions of the Board of Directors of the Company and/or as required under Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations, as amended, from time to time.

The table below gives the number of complaints received, resolved and pending during the financial year 2022-23:

**Number of complaints:**

| Received | Resolved | Pending |
|---|---|---|
| Three | Three | Nil |

**Meetings and Attendance:**

During the financial year 2022-23, 2 (two) meetings were held on May 28, 2022 and February 01, 2023. 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 | 2 | 2 |
| Mr. Saurabh Mittal | Executive-Promoter Director | 2 | 2 |
| Mr. Yogesh Kapur | Non-Executive-Independent Director | 2 | 2 |

## d) Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee of the Company is constituted as per Section 135 of the Act. 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. 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, 2023, the Corporate Social Responsibility Committee of the Company comprises of 4 (four) Directors.

| Sl. No. | Name of the Committee Members | Category | Designation |
|---|---|---|---|
| 1. | Ms. Matangi Gowrishankar | Non-Executive-Independent Director | Chairperson |
| 2. | Mr. Saurabh Mittal | Executive-Promoter Director | Member |
| 3. | Ms. Parul Mittal | Executive-Promoter Director | Member |
| 4. | Mr. Sandip Das | Non-Executive-Independent Director | Member |

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 2022-23, 3 (Three) meetings were held on May 28, 2022, November 12, 2022 and February 01, 2023 and the attendance and composition of Committee Members were as follows:

| Name of the Committee Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Ms. Matangi Gowrishankar | Non-Executive-Independent Director | 3 | 3 |
| Mr. Saurabh Mittal | Executive-Promoter Director | 3 | 3 |
| Ms. Parul Mittal | Executive-Promoter Director | 3 | 3 |
| Mr. Sandip Das | Non-Executive-Independent Director | 3 | 3 |

### e) Operational & Finance Committee

As on March 31, 2023 the Operational & Finance Committee of the Company comprises of 3 (three) Directors as follows:

| 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 2022-23, 9 (Nine) meetings of the Operational & Finance Committee were held on April 12, 2022; April 21, 2022; June 23, 2022; July 20, 2022; July 27, 2022; September 02, 2022; December 13, 2022; December 22, 2022; and March 25, 2023.

### 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, 2023, the constitution of the Risk Management Committee of the Company were as follows:

| Sl. No. | Name of the Committee Members | Category | Designation |
|---|---|---|---|
| 1. | Mr. Saurabh Mittal | Executive-Promoter Director | Chairman |
| 2. | Ms. Parul Mittal | Executive-Promoter Director | Member |
| 3. | Mr. Yogesh Kapur* | 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 |

**Ms. Matangi Gowrishankar, Independent Director of the Company, ceased to be a member of the Risk Management Committee w.e.f. July 27, 2022 and in her place, Mr. Yogesh Kapur was inducted as member of the Risk Management Committee.*

**Terms of Reference of the Risk Management Committee are as below:**

- To formulate a detailed risk management policy as defined in Part D of Schedule II of SEBI Listing Regulations which shall include Business Continuity Plan;
- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To conduct discussions on risk across domains such as Business resiliency, Cyber, ESG etc.;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

**Meetings and Attendance:**

During the financial year 2022-23, 2 (Two) meetings were held on September 08, 2022 and March 07, 2023 and the attendance of Committee Members were as follows:

| Name of the Committee Members | Category | No. of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Saurabh Mittal | Executive-Promoter Director | 2 | 2 |
| Ms. Parul Mittal | Executive-Promoter Director | 2 | 2 |
| Mr. Yogesh Kapur | Non-Executive-Independent Director | 2 | 2 |
| Mr. Sandip Das | Non-Executive-Independent Director | 2 | 2 |
| Mr. Ashok Kumar Sharma | Chief Financial Officer | 2 | 2 |
| Mr. BL Sharma | Head of Manufacturing | 2 | 2 |
| Mr. Devendra Gupta | Vice President – Purchase | 2 | 2 |

## 5) Subsidiaries

Details of the subsidiaries of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company.

## 6) General Body Meetings

### i. The details of previous three Annual General Meeting (AGM) of the shareholders are as under:

| Financial Year | Date of AGM | Venue | Time |
|---|---|---|---|
| 2021-22 | August 10, 2022 [9th AGM] | Video Conferencing/Other Audio Visual Means$ | 03:00 P.M. |
| 2020-21 | August 12, 2021 [8th AGM] | Video Conferencing/Other Audio Visual Means$ | 11:30 A.M. |
| 2019-20 | August 28, 2020 [7th AGM] | Video Conferencing/Other Audio Visual Means$ | 11:00 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 May 05, 2020 read with General Circular No. 20/2020, 02/2021, 19/2021 and 21/2021 dated May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively (collectively referred to as "MCA Circulars") and SEBI has vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 read with SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and other applicable circulars, the Nineth (9th), Eighth (8th) and Seventh (7th) Annual General Meetings of the Company were 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 |
|---|---|---|
| 9th | August 10, 2022 | Nil |
| 8th | August 12, 2021 | Nil |
| 7th | August 28, 2020 | Nil |

### iii. Special resolutions passed at the Extra-Ordinary General Meetings during the year are as below:

| FY | EGM Date | Details of Special Resolutions passed |
|---|---|---|
| 2022-23 | July 16, 2022 | To Offer, Issue and Allot Equity Shares on Preferential Basis |

### iv. The Details of Special Resolutions passed through postal ballot during the financial year 2022-23:

During the financial year 2022-23, there were no special resolutions passed through postal ballot.

### v. Special resolution proposed to be passed through Postal Ballot

The Company has proposed to pass the following Special Resolutions through Postal Ballot:

1) Appointment of Mr. Rahul Chhabra as an Independent Director of the Company

2) Approval of Greenlam Employees Stock Option Scheme, 2023 ("ESOS 2023") and Grant of Employee Stock Options to the Employees of the Company

3) Grant of Employee Stock Options to the employees of the Subsidiary Company(ies) of the Company under Greenlam Employees Stock Option Scheme, 2023 ("ESOS 2023")

The Company dispatched the notice of postal ballot dated April 20, 2023 to the shareholders of the Company for seeking their approval for the above proposed resolutions. The Company has received the approval of the shareholders on proposed resolutions on May 21, 2023.

vi. Procedure for Postal ballot: The postal ballot has been 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 applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time. The Board of Directors of the Company at their meeting held on February 02, 2023, appointed Mr. Dilip Kumar Sarawagi (Membership No. A13020 and C.P No. 3090), Proprietor of DKS & Co., Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot through Remote e-voting process in a fair and transparent manner.

## 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 in 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.

| Recommendation | Compliance |
|---|---|
| Quarterly/Half yearly/Annual results | Published in leading newspapers |
| Newspapers wherein results are normally published | The Financial Express (All Editions) and the Jansatta (Hindi) |
| 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 Friday, August 04, 2023 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 2023-24 (tentative and subject to change) | **a) First quarter results:** On or before August 14, 2023.<br>**b) Second quarter and half year results:** On or before November 14, 2023.<br>**c) Third quarter results:** On or before February 14, 2024.<br>**d) Fourth quarter results and results for the year ending March 31, 2023:** On or before May 30, 2024. |
| iv. | Dividend payment date | Between August 05, 2023 and August 14, 2023 |
| v. | Listing of Equity Shares at Stock Exchanges | BSE Ltd. ("BSE")<br>Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai-400001 |
| | | National Stock Exchange of India Ltd. ("NSE")<br>Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 |
| vi. | Listing of Non-Convertible Debentures at Stock Exchanges | 990 Secured, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹10 lakhs each aggregating to ₹99 Crores allotted on private placement basis were listed on National Stock Exchange of India Limited w.e.f. March 04, 2022. |
| vii. | Payment of Listing Fees | Annual Listing Fees for both the stock exchanges for the financial year 2023-24 has been duly paid by the Company. |
| viii. | Stock Code/Symbol | BSE Scrip Code: 538979<br>NSE Symbol: GREENLAM |

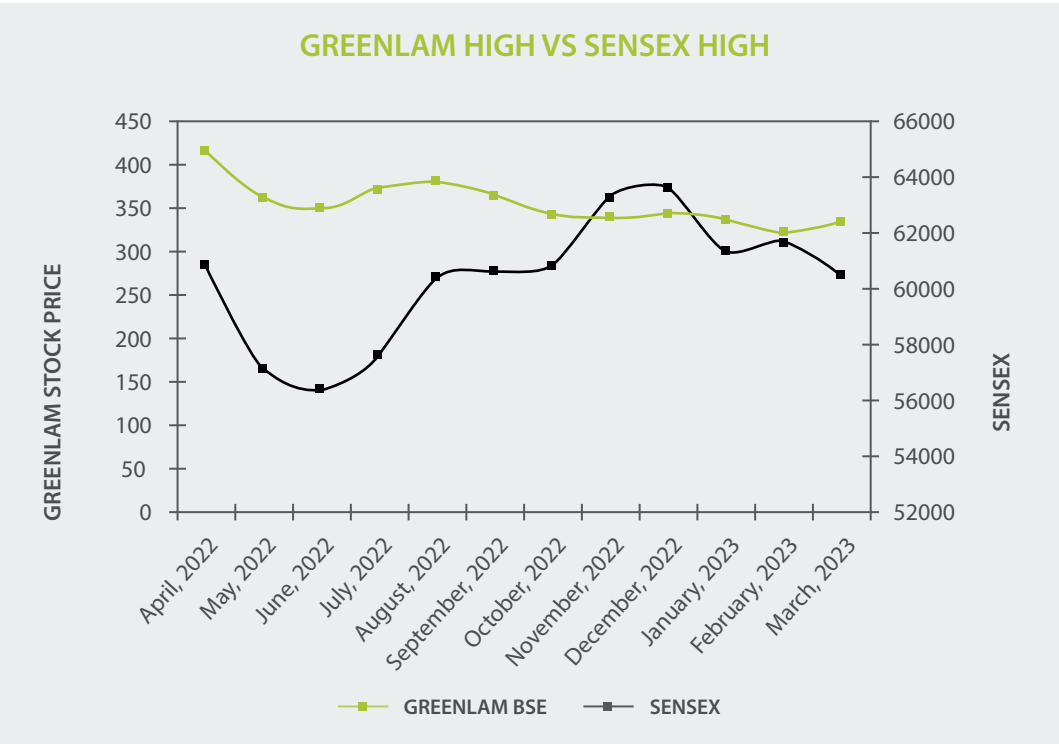
**ix. Market price data for each month during the financial year 2022-23:**

| Month | At BSE | | At NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2022 | 415.90 | 351.00 | 418.30 | 348.00 |
| May, 2022 | 361.35 | 280.00 | 363.30 | 279.80 |
| June, 2022 | 348.00 | 286.90 | 345.95 | 287.20 |
| July, 2022 | 371.95 | 281.00 | 371.55 | 312.40 |
| August, 2022 | 380.00 | 317.00 | 380.00 | 337.00 |
| September, 2022 | 364.80 | 285.05 | 352.25 | 285.00 |
| October, 2022 | 343.15 | 280.00 | 344.80 | 282.15 |
| November, 2022 | 337.45 | 314.25 | 342.00 | 316.20 |
| December, 2022 | 343.10 | 297.85 | 343.90 | 297.00 |
| January, 2023 | 336.80 | 293.00 | 347.45 | 296.00 |
| February, 2023 | 322.00 | 297.55 | 322.20 | 298.90 |
| March, 2023 | 334.70 | 282.60 | 336.95 | 281.55 |

**x. E-mail ID for Investors:** investor.relations@greenlam.com

**xi. Performance in comparison to broad based indices - BSE Sensex:**

Greenlam Industries Limited share performance:




**Suspension of Securities during the financial year 2022-23:**

During the financial year 2022-23, the securities of the Company were not suspended from trading.

| | |
|---|---|
| **Registrar & Share Transfer Agent ("R&T Agent")** | LINK INTIME INDIA PRIVATE LIMITED<br>Contact: Mr. Swapan Kumar Naskar<br>Address: Noble Heights, 1st Floor, Plot NH 2<br>C-1 Block LSC, Near Savitri Market,<br>Janakpuri, New Delhi - 110058<br>Phone No.: +91-11-41410592<br>Fax No.: +91-11-41410591<br>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 year ended March 31, 2023 issued by Mr. Pramod Kumar Pal, Practicing Company Secretary (M. No. F9720), have been duly submitted to stock exchanges, where the securities of the Company are listed. |

### xii. Distribution of equity shareholding as on March 31, 2023 is as given below:

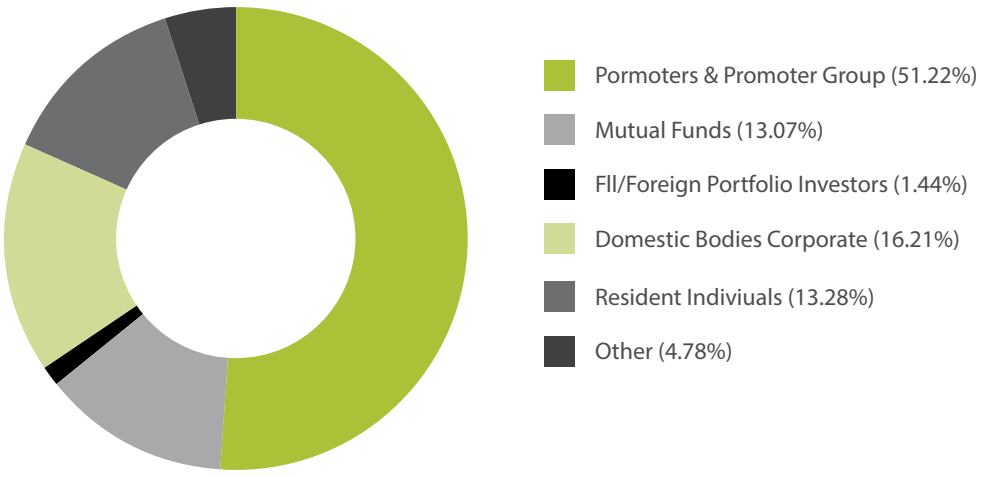
Distribution of shareholding by size is as given below:

| Range in number of shares held | Number of shareholders | Percentage of shareholders (%) | Number of shares held | Percentage of shares held (%) |
|---|---|---|---|---|
| 1-500 | 11,809 | 90.36 | 8,60,379 | 0.68 |
| 501-1,000 | 553 | 4.23 | 4,35,150 | 0.34 |
| 1,001-2,000 | 313 | 2.40 | 4,64,136 | 0.36 |
| 2,001-3,000 | 110 | 0.84 | 2,78,057 | 0.22 |
| 3,001-4,000 | 54 | 0.41 | 1,86,987 | 0.15 |
| 4,001-5,000 | 34 | 0.26 | 1,61,862 | 0.13 |
| 5,001-10,000 | 81 | 0.62 | 5,85,173 | 0.46 |
| 10,001 and above | 115 | 0.88 | 12,40,20,806 | 97.66 |
| Total | **13,069** | **100.00** | **12,69,92,550** | **100.00** |

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, 2023 is as given below:

| Category of Shareholders | Number of shares | Percentage of shares (%) |
|---|---|---|
| Promoters & Promoter Group | 6,50,43,310 | 51.22 |
| Mutual Funds | 1,65,94,496 | 13.07 |
| Foreign Portfolio Investors | 18,29,724 | 1.44 |
| Domestic Bodies Corporate | 2,05,82,428 | 16.21 |
| Resident Individuals | 1,68,58,878 | 13.28 |
| Others | 60,83,714 | 4.78 |
| **Total** | **12,69,92,550** | **100.00** |



| | |
|---|---|
| **Dematerialisation of shares and liquidity** | The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE544R01021. Nearly 99.95% of total listed equity shares have been dematerialised as on March 31, 2023. |

**xiv. Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity:** Nil

**xv. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company has significant foreign exchange exposure towards imports, exports, foreign currency assets and liabilities. With respect to managing the foreign exchange risks, the Company hedges the net outstanding of foreign currency exposures on fortnightly basis thereby mitigating the foreign exchange risk. The unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk. Commodity pricing does not have direct bearing but has an indirect bearing on the Company since, some of the Company's chemical consumption is linked to crude prices. The Company maintains a policy of hedging its 60-90 days of consumption by doing forward buying.

**xvi. Corporate Identity Number(CIN):** L21016DL2013PLC386045

**xvii. Plant locations:**

- E-176-179, RIICO Industrial Estate, Phase II, P.O. Behror, Dist. Alwar, Rajasthan-301701
- Village Paterh Bhonku, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh-174101
- Survey No-267-269, 271/2, Vill-Oran, NH -08, Tahsil-Prantij, Distt-Sabarkantha, (Gujarat) – 383205

**xviii. Address for correspondence:**

| | |
|---|---|
| Registrar: **Link Intime India Private Limited**<br>Contact: **Mr. Swapan Kumar Naskar**<br>Noble Heights, 1st Floor, Plot NH 2<br>C-1 Block LSC, Near Savitri Market,<br>Janakpuri, New Delhi - 110058<br>Phone No.: +91-11-41410592<br>Fax No.: +91-11-41410591<br>Email: delhi@linkintime.co.in | Company: **Greenlam Industries Limited**<br>Contact: **Mr. Prakash Kumar Biswal,**<br>**Company Secretary & Vice President - Legal**<br>2nd Floor, West Wing, Worldmark 1, Aerocity, IGI<br>Airport Hospitality District, New Delhi-110037<br>Phone No.: +91-11-42791399<br>Fax No.: +91-11-42791330<br>Email: investor.relations@greenlam.com |

**xix. List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad.**

During the financial year 2022-23, the ICRA Limited has assigned the credit rating of AA- (Outlook: Stable) to Non-Convertible Debentures (NCDs) of ₹99 Crores issued by the Company.

**xx. Unclaimed Equity Dividend:**

Pursuant to Section 124(6) and Section 125 of the Companies Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto ("IEPF Rules"), the amount of unpaid/ unclaimed dividend for a period of seven years from the date of transfer to the Unpaid Dividend account is required to be transferred to Investor Education and Protection Fund ("IEPF Authority") established by the Central Government. The Company has transferred the unpaid or unclaimed dividends for the financial years 2014-15 amounting to ₹11, 498.50 to IEPF Authority within the specified due date. Additionally, 2,787 equity shares in respect of which dividend has not been paid/claimed for a period of seven consecutive years or more shall also be transferred in the name of IEPF Authority.

Any shareholder whose shares or unclaimed dividend have been transferred to the Fund, may claim the shares under provision to Section 124(6) or apply for refund under Section 125(3) or under proviso to Section 125(3) of the Act, as the case may be, to the IEPF Authority by making an application in Web Form IEPF - 5 available on website at www.iepf.gov.in.

Dividends that are remain 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, be transferred to the

Investor Education and Protection Fund (IEPF) established by the Government. The details of unclaimed dividend as on March 31, 2023 are as follows:

| Sl. No. | Financial Year | Date of Declaration | Dividend per share (₹) | Date of transfer to Unpaid Dividend Account | Amount outstanding as on 31.03.2023 (₹) | Due date for transfer to IEPF |
|---|---|---|---|---|---|---|
| 1. | FY2021-22 | 10.08.2022 | 1.20 | 15.09.2022 | 1,16,896.40 | 15.09.2029 |
| 2. | FY2020-21 | 12.08.2021 | 5.00 | 18.09.2021 | 81,099.00 | 18.09.2028 |
| 3. | FY2019-20 | 04.03.2020 | 4.00 | 09.04.2020 | 1,35,080.00 | 09.04.2027 |
| 4. | FY2018-19 | 10.08.2019 | 3.00 | 12.09.2019 | 64,887.00 | 12.09.2026 |
| 5. | FY2017-18 | 28.08.2018 | 2.50 | 04.10.2018 | 47,177.50 | 04.10.2025 |
| 6. | FY2016-17 | 21.08.2017 | 1.50 | 27.09.2017 | 28,875.00 | 27.09.2024 |
| 7. | FY2015-16 | 24.08.2016 | 1.00 | 30.09.2016 | 23,899.00 | 30.09.2023 |

Members who have not encashed their dividend warrants for the above financial years/period may approach the Company for enabling it to remit the dividend amount(s) before the due date of transfer such dividend amount to IEPF.

## 9) Other Disclosures

a) 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.

b) The Financial Statements have been made in accordance with the Indian Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.

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, during the last three years except as follows:

During the financial year 2020-21, National Stock Exchange of India Limited ("NSE") levied a fine of ₹5,07,400 (including 18% GST) for the period from April 01, 2020 to November 01, 2020 and BSE Limited ("BSE") levied a fine of ₹75,520 (including 18% GST) for the period from October 01, 2020 to November 01, 2020 for non – compliance of Regulation 21 of the SEBI Listing Regulations for which the Company filed applications for waiver for the same and NSE vide their letter dated June 28, 2021, waived of the fine imposed by them and BSE vide their email dated October 27, 2021, withdrawn the fine imposed by them.

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.

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-subsidiaries.pdf

g) The Policy on Materiality of Related Party Transactions and on Dealing with the Related Party Transactions is also posted on the Company's website and can be accessed at https://www.greenlamindustries.com/pdf-file/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf

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 personnels 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 Designated Persons of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at https://www.greenlamindustries.com/pdf-file/code-of-practices-and-procedures-for-fair-disclosure-of-upsi.pdf.

m) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

During the year under review, the Company had issued and allotted 63,10,680 equity shares having face value of Re. 1/- (Rupee One) each of the Company to Smiti Holding and Trading Company Private Limited on July 20, 2022 by way of private placement on a preferential issue The proceeds of aforesaid issue have been fully utilized, for the purpose for which it was raised by the Company in accordance with the terms of the issue.

n) The Company has received a Certificate from M/s Chandrasekaran Associates, Company Secretaries certifying 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 2022-23, 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 2022-23, 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 including Limited Review Fees | 31,50,000 |
| Fees for other statutory certifications | 3,70,000 |
| Reimbursement of Expenses | 2,37,952 |
| Statutory Audit Fees of Subsidiary | 2,50,000 |
| **Total** | **40,07,952** |

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 2022-23:

a. number of complaints received during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

r) Disclosure of Loans and Advances in the nature of Loans to firms/companies in which Directors are interested by Name and Amount:

During the financial year ended March 31, 2023, the Company and its subsidiaries have not granted any Loan to any firm/company in which Director are interested.

**(s) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

Based on the financial statements for the financial year ended March 31, 2022, Greenlam South Limited is considered as the material subsidiary of the Company in terms of the provisions of Regulation 16 of the SEBI Listing Regulations, for the Financial Year 2022-23.

The details wrt to the material subsidiary i.e. Greenlam South Limited are as follows:

| | |
|---|---|
| Date of Incorporation | October 14, 2019 |
| Place of Incorporation | Makum Road, Tinsukia, Assam 786125 |
| Name of Statutory Auditor | M/s. S S Kothari Mehta and Company, Chartered Accountants (Registration No. 000756N) |
| Date of appointment of Statutory Auditor | September 30, 2020 i.e. at 1st AGM of Greenlam South Limited |

10) During the financial year 2022-23, there was no instance of any non-compliance of the requirements of corporate governance report as specified in sub-paras (2) to (10) of Schedule V(C) of the SEBI Listing Regulations.

11) The Company has complied with the applicable requirement specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

## 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

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 45,355 equity share of 65 shareholders

(b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: One Shareholder for claim of 1000 equity shares

(c) Number of shareholders to whom shares were transferred from suspense account during the year: One Shareholder to whom 1000 equity shares were transferred from unclaimed suspense account

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 44,355 equity shares of 66 shareholders

(e) Aggregate number of shares on which voting rights shall remain frozen till the rightful owner of such shares claims the shares: 44,355 equity shares

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

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

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

Place: New Delhi
Date: May 27, 2023

# 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, 2023.

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

Place: New Delhi
Dated: May 27, 2023

# Annexure B

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members
**Greenlam Industries Limited**
203, 2nd Floor, West Wing,
Worldmark 1, Aerocity,
IGI Airport, Hospitality District,
New Delhi-110037, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Greenlam Industries Limited having CIN:

L21016DL2013PLC386045 and having registered office at 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi – 110037, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:-

| S. No. | Name of Directors | DIN | Date of appointment in Company |
|---|---|---|---|
| 1 | Mr. Shiv Prakash Mittal | 00237242 | 12/08/2013 |
| 2 | Mr. Saurabh Mittal | 00273917 | 12/08/2013 |
| 3 | Ms. Parul Mittal | 00348783 | 11/11/2014 |
| 4 | Mr. Sandip Das | 00116303 | 13/06/2019 |
| 5 | Ms. Matangi Gowrishankar | 01518137 | 28/08/2020 |
| 6 | Mr. Yogesh Kapur | 00070038 | 12/08/2021 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chandrasekaran Associates**
*Company Secretaries*
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**
*Senior Partner*
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN:F001644E000352731

Date: May 23, 2023
Place: Delhi

**Note:**
For the purpose of issuing the Certificate of Non-Disqualification of Directors, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. and some of them was received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

# Annexure C

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
**Greenlam Industries Limited**
203, 2nd Floor, West Wing,
Worldmark 1, Aerocity,
IGI Airport, Hospitality District,
New Delhi-110037, India

We have examined all relevant records of Greenlam Industries Limited (the Company) for the purpose of certifying of all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Chandrasekaran Associates**
*Company Secretaries*
FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

**Dr. S. Chandrasekaran**
*Senior Partner*
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN:F001644E000370408

Date: May 27, 2023
Place: Delhi

**Note:**
For the purpose of issuing the Certificate on Compliance with the conditions of Corporate Governance, we have examined the Secretarial Records including Minutes, Documents, Reports and other records etc. received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

# Annexure D

**Certification by Chief Executive Officer and Chief Financial Officer pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To
The Board of Directors,
**Greenlam Industries Ltd.**

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 2023 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that there are no:

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Ashok Kumar Sharma**
*Chief Financial Officer*

Place: New Delhi
Dated: May 27, 2023

# Business Responsibility & Sustainability Reporting

In 2018, Ministry of Corporate Affairs (MCA) updated National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business 2011' (NVGs) to National Guidelines for Responsible Business Conduct' (NGRBCs) to align with various national and international development such as Paris Climate Agreement, United Nation Guiding Principles (UNGPs) on Business and Human Rights and Sustainable Development Goals. In 2021 Securities and Exchange Board of India (SEBI) mandated) disclosure of Environmental, Social and Governance (ESG) of listed entities from FY2022-23 onwards in a Business Responsibility and Sustainability Reporting (BRSR) format. The framework is intended to increase the transparency of corporate disclosures and assist market participants in analyzing sustainability-related risks and opportunities. BRSR requirements are robust in nature, and it covers a broader spectrum than other ESG reporting frameworks. This format seeks disclosure on the performance against the nine principles of National Guidelines on Responsible Business Conduct (NGRBC).

Reporting under the BRSR framework was voluntary for the top-1000 listed companies in India by market capitalization in financial year 2021-22. However, compliance with BRSR requirements is mandatory for the top-1000 listed companies beginning in fiscal year 2022-23 and voluntary for other listed companies, including those that have listed specified securities on the Small and Medium Enterprises (SME) exchange. Greenlam disclosed its sustainability performance in the new BRSR format for FY 2021-22. The intention for this early adoption and disclosure is to assess company's current practices, identify area of improvements and adopt practices that not only meet but go beyond the requirements set out by the framework. We are committed to continuously improve our disclosure on ESG parameters. During the year 2021-22, we concluded materiality assessment exercise and identified 14 material topics. Going forward, we will implement the defined action plan and shall evaluate setting up organization wide targets and commitments. The information presented in this report is based on the current practices at the company and meets the requirements set out by NGRBC and BRSR.

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity:** L21016DL2013PLC386045
2. **Name of the Listed Entity:** Greenlam Industries Limited
3. **Year of incorporation:** 2013
4. **Registered office address:** 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi-110 037
5. **Corporate address:** 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi-110 037
6. **E-mail:** investor.relations@greenlam.com
7. **Telephone:** +91-11-42791399
8. **Website:** www.greenlamindustries.com
9. **Financial year for which reporting is being done:** From April 01, 2022 to March 31, 2023
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11. **Paid-up Capital:** ₹1269.93 Lakhs
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

    Mr. Ashok Kumar Sharma,
    Chief Financial Officer

    **Contact No.:** +91-11-42791399

    **Email Id:** ashok.sharma@greenlam.com
13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).

    Standalone

## II. Products/Services

**14. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing | Wood and wood products, furniture, paper, and paper products | 100 |

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1. | Laminates and Allied Products | 16219 | 90.64 |
| 2. | Veneer and Allied Products | 16211 | 9.36 |

## III. Operations

**16. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| **National** | 3 | 21 | 24 |
| **International** | 0 | 15 | 15 |

In addition, the company has 1 Corporate Office, 9 Regional Distribution Centers, 6 warehouses and 2 experience centers in India

**17. Markets served by the entity:**

**a. Number of locations**

| Locations | Number |
|---|---|
| **National (No. of States & UTs)** | 28 states and 8 union territories |
| **International (No. of Countries)** | 100+ countries |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

41.45%

**c. A brief on types of customers**

Greenlam is committed to deliver best-in-class products and services to its customers. Our customers include trade partners (super stockist, distributor, wholesaler, dealer/retailer), OEM, project and institutional customers, architects and designers, and fabricators. We have been successful in building trust among our customers through wide range of quality products.

## IV. Employees

**18. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 1525 | 1415 | 92.79 | 110 | 7.21 |
| 2. | Other than Permanent (E) | 63 | 63 | 100.00 | 0 | 0 |
| 3. | Total employees (D + E) | 1588 | 1478 | 93.07 | 110 | 6.93 |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 724 | 724 | 100 | 0 | 0 |
| 5. | Other than Permanent (G) | 3263 | 3104 | 95.13 | 159 | 4.87 |
| 6. | Total workers (F + G) | 3987 | 3828 | 96.01 | 159 | 3.99 |

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | NIL | - | - | - | - |
| 2. | Other than Permanent (E) | NIL | - | - | - | - |
| 3. | Total differently abled employees (D + E) | NIL | - | - | - | - |
| | **DIFFERENTLY ABLED WORKERS** | | | | | |
| 4. | Permanent (F) | NIL | - | - | - | - |
| 5. | Other than Permanent (G) | NIL | - | - | - | - |
| 6. | Total differently abled workers (F + G) | NIL | - | - | - | - |

**19. Participation/Inclusion/Representation of women**

| Particulars | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| **Board of Directors** | 7* | 2 | 29% |
| **Key Management Personnel (other than Directors)** | 2 | 0 | NIL |

**During the year under review, there were 7 Directors on Board of Directors of the Company till August 10, 2022 out of which office of 1 Independent Director ceased with effect from August 10, 2022 due to completion of his tenure. As on March 31, 2023, there were 6 Directors on Board of Directors of the Company.*

**20. Turnover rate for permanent employees and workers** (Disclose trends for the past 3 years)

| | FY 2022-2023 | | | FY 2021-2022 | | | FY 2020-2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| **Permanent Employees** | 16.5% | 32.5% | 17.6% | 16.3% | 35.8% | 17.5% | 12.9% | 30.2% | 14.1% |
| **Permanent Workers** | 2.6% | 0% | 2.6% | 2.1% | 0 | 2.1% | 7.7% | 0 | 7.7% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding/ subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ subsidiary/ Associate/ Joint Venture | % of shares held by listed entity^ | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Greenlam Asia Pacific Pte. Ltd. | Subsidiary | 100 | No |
| 2 | Greenlam America Inc. | Subsidiary | 100 | No |
| 3 | Greenlam Europe (UK) Ltd. | Subsidiary | 100 | No |
| 4 | Greenlam Asia Pacific (Thailand) Co. Ltd. | Subsidiary | 97.5 | No |
| 5 | Greenlam Holding Co. Ltd. | Subsidiary | 99 | No |
| 6 | Pt Greenlam Asia Pacific | Subsidiary | 99 | No |
| 7 | Greenlam Decolan SA | Subsidiary | 100 | No |
| 8 | Greenlam South Limited | Subsidiary | 100 | No |
| 9 | Pt Greenlam Indo Pacific | Subsidiary | 67 | No |
| 10 | Greenlam Russia LLC | Subsidiary | 100 | No |
| 11 | Greenlam Poland Sp. z.o.o. | Subsidiary | 100 | No |
| 12 | HG Industries Limited | Subsidiary | 74.91 | No |

*^Includes controlling interest*

## VI. CSR Details

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):**

Yes

**(ii) Turnover (in ₹):** 1851.07 crores

**(iii) Net worth (in ₹):** 781.71 crores

## VII. Transparency and Disclosures Compliances

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | The Company does not have a structured mechanism to receive and redress grievances of communities | Nil | NA | Nil | Nil | NA | |
| Investors (other than shareholders) | Yes (https://www.greenlamindustries.com/investor/contact-details.html) | Nil | NA | Nil | Nil | NA | |
| Shareholders | Yes (https://www.greenlamindustries.com/investor/contact-details.html) | Nil | NA | Nil | Nil | NA | |
| Employees and workers | Yes (https://www.greenlamindustries.com/pdf-file/vigil-mechanism-policy.pdf) | Nil | NA | Nil | Nil | NA | |
| Customers* | Yes (https://www.greenlamindustries.com/contact-us.html) | 538 | 14 | Nil | 341 | 4 | |
| Value Chain Partners# | Yes | Nil | NA | Nil | Nil | NA | |

*'* The link provided on the Company's website enables our customers to lodge their complaints / grievances related to our products*

*#For value chain partners to report grievances, Company has outlined detailed escalation matrix in its COBEC document. However, COBEC is an internal document and is not available for public view.*

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Environmental Compliance | Risk | Non-compliance with the applicable environmental law/ regulations/ guidelines in India may lead to fines / penalties / reputational damages | Regular tracking and compliance with all applicable environmental laws | Negative |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 2 | Effluent & Waste Management | Risk | Improper handling of waste generated from business activities can damage nearby environment, affect health of people and communities, impact company's reputation and may even lead to closure of operations. | Specific procedures in place for generation, storage and disposal of hazardous waste, Biomedical waste, E-waste, Battery, Solid Waste and Plastic waste. | Negative |
| 3 | Sustainable Sourcing of Raw Material | Risk | Risk arising due to sourcing of raw material from illegal sources | Periodic due diligence is conducted for suppliers supplying raw material used in manufacturing of high-pressure laminates. | Negative |
| 4 | Water Management | Risk | Disruption of business operations due to water shortage or scarcity | Water recycling initiatives implemented to reduce the dependency on external water sources | Negative |
| 5 | Energy Management | Risk | Increase in price of diesel, coal and electricity. Emerging regulations for adoption of clean technology and renewable energy | Use of Biomass/ biofuel as a fuel in operations. Greater adoption of renewable energy. Use of energy efficient equipment | Negative |
| 6 | GHG and Carbon Emissions | Risk | Emerging regulations for disclosure of GHG emissions | GHG Emission accounting development in process | Negative |
| 7 | Health & Safety of Products | Opportunity | Engaging with customers and proactive disclosure of information about product safety | Obtained certifications from Greenguard Gold and Greenlabel, NSF | Positive |
| 8 | Occupational Health & Safety | Risk | Risk of adverse impact on employee health and wellbeing. | ISO 45001 implemented across plants | Negative |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) * | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | https://www.greenlamindustries.com/investor/company-policy.html<br>Refer to Table 1 | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/certifications/labels/ standards adopted by your entity and mapped to each principle | Refer to table 2 | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | Company has undertaken materiality assessment exercise in FY 2021-22 and is in a process of setting specific commitments and targets against the identified material issues. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | Company has undertaken materiality assessment exercise in FY 2021-22 and is in a process of setting specific commitments and targets against the identified material issues. Principle wise performance is disclosed in subsequent section. | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | At Greenlam, environment-social-governance (ESG) is particularly critical as the end product needs to be built with natural resource and any deviation from the mean or perceived irresponsibility can affect respect and market position. The environment component at our company ensures that our business consumes environmentally responsible resources, consumes only as much as is moderately needed, recycles water, responsible waste management, consumes moderate fossil fuels and builds resistance to climate change. The social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the company from unexpected supply or demand or production shocks. At Greenlam, ESG provides a platform for doing the right things the right way at the right time, the basis of its long-term sustainability. | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Ashok Kumar Sharma, Chief Financial Officer of the Company shall act as Business Responsibility Head (BR Head) and shall be responsible for implementing the Business Responsibility initiatives. Mr. Saurabh Mittal, Managing Director & CEO of the Company shall be responsible for overseeing the implementation of this Policy | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, Mr. Saurabh Mittal, Managing Director & CEO of the Company is responsible for decision making on sustainability related issues | | | | | | | | |
| 10. Details of Review of NGRBCs by the Company: | | | | | | | | | |

**The COBEC document which aligns with the requirements of several Principles has been approved by our Executive Directors.*

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Y | Quarterly | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Y | Y | Y | Y | Y | Y | Y | Y | Y | Quarterly | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | | | | | | | | | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| | | | | | | | | | | No | | | | | | | | |
| 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: Not Applicable | | | | | | | | | | | | | | | | | | |

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

**Table 1- Annexure to 1a- Policies aligned to NGRBC Principles**

| Principles | Greenlam Industries Limited Policy(ies) |
|---|---|
| P1 | • Code of Business Ethics and Conduct (COBEC)<br>• Business Responsibility Policy |
| P2 | • Code of Business Ethics and Conduct, Quality (COBEC)<br>• Quality, Environment, Health & Safety Policy<br>• Business Responsibility Policy |
| P3 | • Quality, Environment, Health & Safety Policy<br>• Business Responsibility Policy |
| P4 | • Corporate Social Responsibility Policy |
| P5 | • Code of Business Ethics and Conduct (COBEC)<br>• Business Responsibility Policy<br>• Human Rights Policy |
| P6 | • Quality, Environment, Health & Safety Policy<br>• Business Responsibility Policy |
| P7 | • Business Responsibility Policy |
| P8 | • Business Responsibility Policy |
| P9 | • Business Responsibility Policy |

**Table 2- Annexure to 4- National and International standards**

| Principles | Name of the national and international codes/certifications/labels/ standards |
|---|---|
| P2 | • ISO 14001 Environment Management System<br>• ISO 45001:2018 Occupational Health and Safety Management System<br>• FSC, PEFC, Greenguard, NSF, SEFA certification |
| P3 | • ISO 14001:2015 Environmental Management System<br>• FSC, PEFC, GRIHA, GreenPro<br>• UN Guiding principle on business and human rights, International Labor Organization Core Conventions |
| P4 | • Materiality assessment and Stakeholder Engagement in line with GRI Standards |
| P5 | • UN Guiding principle on business and human rights, International Labor Organization Core Conventions |
| P6 | • ISO 14001 Environment Management System<br>• FSC, PEFC, Greenguard, NSF, SEFA certification |
| P9 | • ISO 9001 Quality Management System<br>• ISO14001 Environment Management System |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topic / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | NIL | - | - |
| Key Managerial Personnel | NIL | - | - |
| Employees other than BoD & KMPs | 30 | COBEC, Human Rights | 48.1% |
| Workers | 15 | COBEC, Human Rights | 36.9% |

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| Category | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR '000) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | NIL | | | | |
| Settlement | Nil | | | | |
| Compounding Fees | Nil | | | | |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil | | | |
| Punishment | Nil | | | |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of regulatory/enforcement agencies/judicial institutions |
|---|---|
| Not applicable | |

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. Greenlam Industries Limited has defined guidelines on anti-corruption and anti-bribery as part of Code of Business Ethics and Conduct (COBEC). The COBEC covers all employees whether directly or indirectly employed with the company as well as its subsidiaries and affiliate companies. It also extends to contractual and part time employees, interns and apprentices. Further, employees who are directly dealing with third parties, vendors, suppliers and distributors on behalf of the Company, have the obligation to provide relevant information to these third parties to ensure that they comply with the applicable policies and sections of the COBEC. However, COBEC is an internal document and is not available for public view.

Anti-Corruption & Bribery Clause is also provided under Code of Conduct of Business Partners which can be accessed through the below link.

https://www.greenlamindustries.com/pdf-file/GRLM_Code-of-Conduct-for-Suppliers-06-04-2023.pdf

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

**6. Details of complaints with regard to conflict of interest:**

| | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | Nil | Nil | Nil |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | Nil | Nil | Nil |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Nil

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Nil | Nil | Nil |

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, Greenlam Industries Limited has stringent procedures to avoid any conflict of interest involving members of the Board. Company's Code of Conduct for Board Member covers Conflict of interest for Board of Directors as well. In addition, the company has policy on related party transaction and dealing with related party transactions. Company policies are available here https://www.greenlamindustries.com/investor/company-policy.html

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

## Essential Indicators

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R & D | 100% | 100% | CAPEX and Developmental expenses to enhance EHS performance were made on<br>• New Fire alarm system in Behror plant, main laminate section<br>• Electrostatic Precipitator for reduction of Particulate Matter emission in Behror Plant<br>• Increased one more ETP/STP in Behror unit for increasing water treatment capacity<br>• Rainwater harvesting pits added which increases the capacity by about 50% in Behror and Nalagarh Plant.<br>Apart from this, upgradation of the existing fire alarm systems have been carried out at Behror Plant. |
| Capex | 43.4% | 7.7% | |

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. A part of our raw materials is FSC certified, which is sourced sustainably.

**b. If yes, what percentage of inputs were sourced sustainably?**

10.2% Paper raw material and 5.1% Particle Boards are sourced sustainably

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The company does not have a formal mechanism to safely reclaim its products as laminates have a long shelf life of 20 years or more. Decorative Veneers, Engineered Wooden Flooring, Engineered Doors and Prelaminated Particle Board can be recycled, if needed. In addition, the company also provides its customers a Safety Data Sheet alongwith the final product which contains instructions for disposing of laminates as per applicable regulations in the respective geographies / location. Some of the safe disposal techniques of laminates includes landfill, incineration or co-processing in cement manufacturing. Safety Data Sheet is also available on company website at the link below https://www.greenlam.co.in/media/pdf/Safety%20Data%20Sheet%20%e2%80%93%20Laminates%20and%20Compacts.pdf

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. The Company uses plastic packaging material to package the finished goods and therefore understands that EPR is applicable to the business. EPR registration has been obtained and is available on the website of the Company which can be accessed through below link https://www.greenlamindustries.com/green-credentials.html

## Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   No, LCA has been undertaken as a part of Environment Product Declaration (EPD) Assessment. The result of which shall be available in the upcoming year.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Please refer answer no. 1 above.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| Kraft Paper for High Pressure Laminate Production | 29% | 19.0% |

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| Material | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | 0 | 0 | 539.0 | 0 | 0 | 518.0 |
| E-waste | 0 | 0 | 1.68 | 0 | 0 | 0.96 |
| Hazardous waste | 4.5 | 0 | 16.49 | 5.8 | 0 | 6.7 |
| Paper Waste# | 0 | 0 | 3284.0 | - | - | 1908 |
| Wood Waste# | 0 | 0 | 1506.1 | - | - | 350 |
| Iron Waste# | 0 | 0 | 196.7 | - | - | 337 |
| Sanding Dust# | 0 | 0 | 10698.7 | - | - | - |
| HPL Cutting# | 0 | 0 | 2662.1 | - | - | - |

*#Data for Paper Waste, Wood Waste, Iron Waste, Sanding Dust and HPL Cutting was not monitored for the financial year 2021-22.*

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| None | |

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. **a. Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B / A) | No. C | % (C / A) | No. (D) | % (D / A) | No.(E) | % (E / A) | No. (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1415 | 1415 | 100 | 1415 | 100 | NA | NA | 1415 | 100 | NIL | NA |
| Female | 110 | 110 | 100 | 110 | 100 | 110 | 100 | NA | NA | NIL | NA |
| **Total** | 1525 | 1525 | 100 | 1525 | 100 | 110 | 100 | 1415 | 100 | NIL | NA |

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B / A) | No. C | % (C / A) | No. (D) | % (D / A) | No.(E) | % (E / A) | No. (F) | % (F / A) |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 63 | 63 | 100 | NIL | NA | NA | NA | 63 | 100 | NIL | NA |
| Female | 0 | 0 | NIL | NIL | NA | NIL | NIL | NA | NA | NIL | NA |
| **Total** | 63 | 63 | 100 | NIL | NA | NIL | NIL | 63 | 100 | NIL | NA |

**1. b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | No. (B) | % (B / A) | No. C | % (C / A) | No. (D) | % (D / A) | No.(E) | % (E / A) | No. (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 724 | 724 | 100 | 724 | 100 | NA | NA | 724 | 100 | NIL | NA |
| Female | 0 | 0 | NIL | 0 | NIL | NIL | NA | NA | NA | NIL | NA |
| **Total** | 724 | 724 | 100 | 724 | 100 | NIL | NA | 724 | 100 | NIL | NA |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 3104 | 3104 | 100 | NIL | NA | NA | NIL | 3104 | 100 | NIL | NA |
| Female | 159 | 159 | 100 | NIL | NA | 159 | 100 | NIL | NA | NIL | NA |
| **Total** | 3263 | 3263 | 100 | NIL | NA | 159 | 100 | 3104 | 100 | NIL | NA |

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

| Benefits | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employee | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | Nil | NA | 100% | Nil | NA |
| ESI | 80% | 100% | Y | 77.2% | 100% | Y |

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, equal opportunity is covered under COBEC document. However, COBEC is an internal document of the Company.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave**

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | NA | NA |
| Female | 100% | 100% | NA | NA |
| Total | 100% | 100% | NA | NA |

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Yes, Grievance Redressal is part of company's COBEC which is applicable to employees, suppliers, business partners, etc. The COBEC details out procedures for reporting a concern, escalation matrix, procedures for protection against retaliation, procedures of handling frivolous complains and disciplinary action. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Nil. None of our employees are members to any recognized association or trade unions.

**8. Details of training given to employees and workers:**

| Category | FY 2022-23^ | | | | | FY 2021-22^ | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. C | % (C / A) | | No.(E) | % (E / A) | No. (F) | % (F / A) |
| **Permanent Employees** | | | | | | | | | | |
| Male | 1335 | 238 | 17.8% | 1097 | 82% | 1195 | 1195 | 100 | 1088 | 91.0 |
| Female | 96 | 0 | -- | 96 | 100% | 81 | 81 | 100 | 12 | 14.8 |
| **Total** | 1431 | 238 | 16.6% | 1193 | 83% | 1276 | 1276 | 100 | 1100 | 86.2 |
| **Permanent Workers** | | | | | | | | | | |
| Male | 643 | 345 | 53.6% | 298 | 46.3% | 747 | 207 | 27.7 | 379 | 50.7 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 643 | 345 | 53.6% | 298 | 46.3% | 747 | 207 | 27.7 | 379 | 50.7 |
| **Other Than Permanent Workers** | | | | | | | | | | |
| Male | 1440 | 1071 | 74% | 369 | 26% | 3161 | 1083 | 34.3 | 0 | 0 |
| Female | 9 | 5 | 55% | 4 | 45% | 153 | 96 | 62.7 | 0 | 0 |
| **Total** | 1449 | 1076 | 74% | 373 | 26% | 3314 | 1179 | 35.6 | 0 | 0 |

*^This does not cover "Other than Permanent Employees" data*

**9. Details of performance and career development reviews of employees and workers:**

| Category | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | %(B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 1415 | 1415 | 100 | 1195 | 1195 | 100 |
| Female | 110 | 110 | 100 | 81 | 81 | 100 |
| **Total** | 1525 | 1525 | 100 | 1276 | 1276 | 100 |
| **Workers** | | | | | | |
| Male | Nil | Nil | Nil | Nil | Nil | Nil |
| Female | Nil | Nil | Nil | Nil | Nil | Nil |
| **Total** | Nil | Nil | Nil | Nil | Nil | Nil |

The above data is with respect to permanent employees and permanent workers

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, Our Occupational Health and Safety Management System is based on ISO 45001:2018 and it covers manufacturing plants at Behror, Rajasthan and Nalagarh, Himachal Pradesh.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard Identification and Risk Assessment and Incident Management System are in place to identify work-related hazards and assess risks on routine and non-routine basis.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Following measures are undertaken by the company during the reporting year

- Hazard Identification and Risk Assessment of all processes and machinery
- Machine Guarding, Sensors, Workplace Safety Trainings, Personal Protective Equipment Provision
- Provision of reporting of Unsafe Conditions and Unsafe Acts
- Safety Committee Meetings
- Permit to Work system
- Health Check-up
- First Aid, Fire Fighting System, OHC and Ambulance Provision
- Safety mock drills and emergency evacuation trainings

**13. Number of Complaints on the following made by employees and workers:**

| Category | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | Nil | 0 | 0 | Nil |
| Health & Safety | 226 | 20 | Nil | 36 | 2 | Nil |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100%* |
| Working Conditions | 100% |

**Both the plants at Behror and Nalagarh are periodically assessed in accordance with ISO 14001 and 45001. No major observations/ non-compliances reported in the respective audits.*

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Though no major observations have been highlighted during ISO audits, however, on proactive basis following measures were implemented during the reporting year

- Machine Guarding strengthening at Impregnators-Dryers
- Trolley design improvement
- Rearrangement of Operating control location in Press Assembly Area

## Leadership Indicators

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes, the company provides Future Service Gratuity (FSG) to all employees in event of death.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Periodic inspections are performed at the value chain partners to ensure that statutory dues are deducted and deposited as per due dates. For the contractors, plant HR teams conducts regular audits to ensure that all contractual employees are paid their statutory dues as per statutory timelines.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| Particulars | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**5. Details on assessment of value chain partners:**

| Particulars | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | Nil |
| Working Conditions | Nil |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Nil

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

## Essential Indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Greenlam has undertaken detailed stakeholder engagement through an external agency in FY 2021-22. A detailed stakeholder identification process followed by stakeholder interactions was conducted. This process has helped Greenlam to identify stakeholder that:

a. Are directly or indirectly dependent on Greenlam's products or services and associated performance

b. Can influence or have impact on Greenlam's strategic or operational decision-making

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key Topics and Concerns raised during such engagement |
|---|---|---|---|---|
| Customer | No | Emails, SMS, Pamphlets, Advertisement, Website, Meetings | Regularly | Offers, product promotion, customer service, queries & feedback |
| Regulators | No | Email, Website | Regularly | Regulatory Compliances |
| Employees | No | Email, Notice Board, Website | Regularly | Trainings, Learning & Development, Career Development and Performance Review, Health and Safety, Employee Recognition |
| Suppliers | No | Email, SMS | Regularly | Procurement |
| Investors | No | Email, SMS, Meetings, Website | Regularly | Business and Financial Updates |

**PRINCIPLE 5: Businesses should respect and promote human rights**

## Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employee/ workers covered (B) | % (B / A) | Total (C) | No of employees/ workers covered (B) | % (D / C) |
| **Employee** | | | | | | |
| Permanent | 1415 | 95 | 6.7% | 1276 | 135 | 10.6% |
| Other than permanent | 0 | 0 | 0% | 36 | 0 | 0% |
| Total Employees | 1415 | 95 | 6.7% | 1312 | 135 | 10.3% |

| Category | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employee/ workers covered (B) | % (B / A) | Total (C) | No of employees/ workers covered (B) | % (D / C) |
| **Workers** | | | | | | |
| Permanent | 724 | 220 | 30.4% | 747 | 208 | 27.8% |
| Other than permanent | 3104 | 300 | 9.7% | 3314 | 625 | 18.9% |
| Total Workers | 3828 | 520 | 13.58% | 4061 | 833 | 20.5% |

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No.(E) | % (E / A) | No. (F) | % (F / A) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 1415 | NIL | - | 1415 | 100 | 1195 | NIL | - | 1195 | 100 |
| Female | 110 | NIL | - | 110 | 100 | 81 | NIL | - | 81 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 63 | NIL | - | 63 | 100 | 35 | NIL | - | 35 | 100 |
| Female | 0 | NIL | - | 0 | NIL | 1 | NIL | - | 1 | 100 |
| | | | - | | | | | - | | |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 724 | NIL | - | 724 | 100 | 747 | NIL | - | 747 | 100 |
| Female | 0 | NIL | - | 0 | NIL | 0 | NIL | - | 0 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 3104 | NIL | - | 3104 | 100 | 3161 | NIL | - | 3161 | 100 |
| Female | 159 | NIL | - | 159 | 100 | 153 | NIL | - | 153 | 100 |

**3. Details of remuneration/salary/wages, in the following format:**

| Category | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category ₹ in Lakhs | Number | Median remuneration/ salary/ wages of respective category ₹ in Lakhs |
| Board of Directors (BoD) | 5 | 182.15 | 2 | 234.9 |
| Key Managerial Personnel | 2 | 102.01 | Nil | NA |
| Employees other than BoD and KMP | 1413 | 6.40 | 110 | 7.50 |
| Workers | 724 | 2.05 | - | - |

The above table shows data with respect to permanent employee and workers only

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The company has vigil mechanism policy and anti-sexual harassment policy. In addition, the company's COBEC defines criteria for grievance redressal against violation of COBEC norms and is applicable to all employees and other value chain partners.

**6. Number of Complaints on the following made by employees and workers:**

| Complaints | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | NA | | Nil | NA | |
| Discrimination at workplace | Nil | NA | | Nil | NA | |
| Child Labour | Nil | NA | | Nil | NA | |
| Forced Labour/ Involuntary Labour | Nil | NA | | Nil | NA | |
| Wages | Nil | NA | | Nil | NA | |
| Other Human | | | | | | |
| Rights related issues | Nil | NA | | Nil | NA | |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our COBEC outlines strict policy towards non-retaliation for the people who report a concern. Anyone who is found to be involved in retaliation or in targeting a person for reporting a misconduct or violation is subjected to strict disciplinary actions. All complaints of retaliation are reported to the Ethics Committee

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**9. Assessments for the year:**

| Complaints | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | Our Nalagarh, Himachal Pradesh plant is covered under annual SEDEX audit which covers all these aspects. However, for Behror (Rajasthan), Prantij (Gujarat) plant no such assessment have been conducted |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

None.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

## Essential Indicators

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Total electricity consumption[2] (A) (includes Solar Energy Source) | 111970784 MJ | 101883924 |
| Total fuel consumption[3] (B) | 999628229 MJ | 909866737 MJ |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumption (A+B+C)** | **1111599012 MJ** | **1011750661 MJ** |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (MJ/Re) | 0.061 | 0.065 |

*[2] This includes electricity consumed from the state power grid*

*[3] This includes energy produced from non-renewable fuel including HSD, Husk and Coal*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 185734 | 217372 |
| (iii) Third party water | 300 | 0 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| **Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)** | **185734** | **217372** |
| **Total volume of water consumption (in kiloliters)** | **186034** | **217372** |
| **Water intensity per rupee of turnover** (Water consumed / turnover) (Litre/Re) | 0.011 | 0.014 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. All Greenlam facilities are equipped with Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP), wherever required. The treated wastewater is utilized primarily for gardening purposes. In addition to that, Reaction kettle distillates and wash waters are evaporated. The ETP sludge generated goes to authorized hazardous waste vendor for further disposal to landfill.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| NOx | Mg/Nm3 | 216 | 286.1 |
| SOx | Mg/Nm3 | 53.5 | 12.8 |
| Particulate matter (PM)s | Mg/Nm3 | 14 | 57.1 |
| Persistent organic pollutants (POP) | NA | NA | NA |
| Volatile organic compounds (VOC)[4] | NA | NA | NA |
| Hazardous air pollutants (HAP) | NA | NA | NA |
| Others - Carbon Mono Oxide | Mg/Nm3 | 35 | 95.7 |

*[4] VOC monitoring will be initiated from next financial year*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, by Universal Analytical Labs

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format**

The organization will undertake GHG inventorization exercise for Scope 1 and Scope 2 categories in upcoming years.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not applicable

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The company has converted all the heating fuel requirements at Behror unit to biofuels from coal. This has resulted in substantial reduction of GHG emissions.

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 539 | 518 |
| E-waste (B) | 1.68 | 0.96 |
| Bio-medical waste (C ) | 0.002 | 0.03 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 0.79 | 0.08 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 16.49 | 9.5 |
| Other Non-hazardous waste generated (H). Please specify, if any (Break-up by composition i.e. by materials relevant to the sector)[5] | 18347.6^ | 2595.0 |
| **Total (A+B + C + D + E + F + G + H)** | **18905.6** | **3123.6** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | | |
| (ii) Re-used (used oil) | 4.5 | 5.8 |
| (iii) Other recovery operations | | |
| **Total** | **4.5** | **5.8** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| Category of waste | | |
| (i) Incineration | 0.002 | 0.03 |
| (ii) Landfilling | 14.12 | 6.7 |
| (iii) Other disposal operations | 18891.48 | 3111.04 |
| **Total** | **18905.6** | **3123.6** |

*[5] Other Non hazardous waste include paper scrap, packing waste, wooden scrap and metal waste*

*^The increase in waste generation during the year under review was largely due to stoppage of burning of trimming/ cutting waste of laminates, veneers and wood, to comply with NGT regulations.*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

As part of Integrated Management System, waste management procedures are adopted for handling and disposal of hazardous and other waste, biomedical waste, e-waste, battery waste, solid waste and plastic waste with clear roles, responsibilities and accountabilities defined. The company has identified various categories of waste generated in different processes and laid down procedures of handling of waste as part of waste management system. Waste monitoring and management objectives are reviewed on yearly basis. Future actions are planned based on the previous practices and the findings.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Not applicable as none of company's operations are in/around ecological sensitive areas. | | | |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Environmental clearance. for proposed capacity expansion of Phenol Formaldehyde Resin and Melamine Formaldehyde Resin (Proposal No.-53767) | F1 (4)/ SEIAA/ SEAC-Raj/ Sectt/Project/ Cat. 5(f)B2 (17017)/2019-20 | 9/11/2021 | Yes | Yes | Please refer below for the weblink |

http://www.environmentclearance.nic.in/DownloadPfdFile.aspx?FileName=cjMkF4k1XzV/XF8QdHJR6/njfcgi6c/c3hOOV+QmcQBE/YfaT4U1jLABMMZN9xBYDYzgFW9qFBxOJFh1n/6YmnWupLpUZk1iSGJt+nHpf8Y=&FilePath=93ZZ-Bm8LWEXfg+HAlQix2fE2t8z/pgnoBhDlYdZCxzUlDadBGu7t8v4JoQvNU6UBlSmL0YQ7WQYaxkvlQvexKQ==

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/ penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken if any |
|---|---|---|---|---|
| Yes, the company is compliant with all applicable environmental law/ regulations/ guidelines of India as of March 31, 2023 | | | | |

## Leadership Indicators

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A)[7] (Solar Energy Source) | 3056378.4 MJ | 3210815 MJ |
| Total fuel consumption[8] (B) | 357582015 MJ | 239781658 MJ |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | **360638393.4 MJ** | **242992473 MJ** |
| **From non-renewable sources** | | |
| Total electricity consumption[9] (D) | 108914405.4 MJ | 98673109 MJ |
| Total fuel consumption[10] (E) | 642046213.6 MJ | 670085079 MJ |
| Energy consumption through other sources (F) | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | **750960619 MJ** | **768758188 MJ** |

*[7] This includes electricity consumed from solar power*

*[8] This includes energy produced from husk*

*[9] This includes energy from grid and DG sets*

*[10] This includes HSD, coal and pet coke*

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

No

**2. Provide the following details related to water discharged:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres) –** | | |
| (i) To Surface water | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) To Groundwater | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) To Seawater | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | Nil | Nil |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | **Nil** | **Nil** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

**For each facility / plant located in areas of water stress, provide the following information:**

a. Name of the area: Behror, Rajasthan

b. Nature of operations: Manufacturing of Laminates, Decorative Veneers, Engineered Wooden Flooring, Engineered Doors & Frames and Prelaminated Particle Boards

c. Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source (in kilolitres) -** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 101470 | 137483 |
| (iii) Third party water | 300 | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres)** | **101470** | **137483** |
| **Total volume of water consumption (in kilolitres)** | **101770** | **137483** |
| **Water intensity per rupee of turnover** (Water consumed / turnover) (Litre/Re) | **0.005** | **0.009** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Not Available. Currently Greenlam has not conducted Scope 3 GHG emission study.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not applicable

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Recycling of used Hydraulic Oil | In house used hydraulic oil filtering units | 4.5 MT of oil is reused and saved from fresh purchases |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   No

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Company has not undertaken any formal study to measure the negative environmental impact from its value chain.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   None

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

## Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Greenlam Industries Limited has affiliations with 3 industry chambers/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| Sr. No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations |
|---|---|---|
| 1 | Indian Laminate Manufacturers Association | National |
| 2 | The Plastics Export Promotion Council | National |
| 3 | The Federation of Indian Export Organizations | National |

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Nil | | |

## Leadership Indicators

**1. Details of public policy positions advocated by the entity:**

| S. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| 1 | PLI Scheme for High Pressure Laminates | Greenlam has made a representation to the Government of India through Indian Laminate Manufacturers Association for extending PLI scheme to the laminate industry and the same is being pursued with appropriate authority. Greenlam believes that this will further encourage investment-led growth in this sector | No | As and when required | NA |

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

## Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not applicable | | | | | |

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| Not applicable | | | | | | |

**3. Describe the mechanisms to receive and redress grievances of the community.**

Currently, the company does not have a structured mechanism to receive and redress grievances of the community. However, Company plans to develop and implement mechanism for community grievance redressal.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Parameters | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directly sourced from MSMEs | 8.70% | 11.9% |
| Sourced directly from within the district and neighboring Districts[11] | Nil | Nil |

*[11] Greenlam has its operations spread all across India and does not differentiate sourcing from within or outside a particular area/district/locality of the country.*

## Leadership Indicators

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not applicable | |

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Not Applicable as Greenlam undertakes its CSR activities predominantly within the proximity of its manufacturing facilities.

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

**(b) From which marginalized /vulnerable groups do you procure?**

Not applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/ No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| Not applicable | | | | |

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| Not applicable | | |

**6. Details of beneficiaries of CSR Projects**

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups * |
|---|---|---|---|
| 1 | Pratham Education Foundation at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>• Improving learning outcomes in Pre Primary and Primary Education in 15 communities in Behror and 10 communities in Nalagarh | Primary Direct Beneficiaries (students, mothers, volunteers) - 6527<br>Indirect Beneficiaries (parents reached through remote outreach) - 966 | |
| 2 | Mamta Health Institute for Mother and Child at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>• Improving maternal and child healthcare through awareness sessions and community activities in 34 villages in Behror and 9 villages in Nalagarh | Primary and Secondary Direct Beneficiaries (mothers, adolescents, senior citizens, frontline health workers, mothers-in-law, male members, PRI members, school teachers, health departments and district administration) - 4099<br>Indirect Beneficiaries (through community events) - 3558 | |

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups * |
|---|---|---|---|
| 3 | Sehgal Foundation at Behror, Rajasthan and Nalagarh, Himachal Pradesh<br>• Ensuring integrated village development through working on water, agriculture, health and hygiene in a phased-wise approach | Primary and Secondary Direct Beneficiaries (farmers, Village Development Committee members, community members) – 4006 | |
| 4 | Udayan Care at Ghaziabad<br>• Catering to the needs of distressed girl children by providing them access to care workers, counselors, tutors and mentor mothers | Direct Beneficiaries – 21 | |

*'* Currently the company is not tracking impact of its CSR activities on vulnerable and marginalized groups*

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

## Essential Indicators

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Greenlam has provision of registering complaints / feedback from customers related to its products. The company has created a "Contact Us" tab on its website (https://www.greenlamindustries.com/contact-us.html) wherein customers can submit their queries, complaints and/ or suggestions on different product categories. Greenlam tracks and monitors all the customer submissions on regular basis.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | Safety Data Sheet for high pressure laminate and allied segment is provided with the products and available on company website. This comprises 90% of the total turnover of the Company |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

**3. Number of consumer complaints in respect of the following:**

| | FY 2022-2023 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | NA | | Nil | NA | |
| Advertising | 1 | Nil | | 2 | Nil | |
| Cyber-security | Nil | NA | | Nil | NA | |
| Delivery of essential services | NA | NA | | NA | NA | |
| Restrictive Trade Practices | Nil | NA | | Nil | NA | |
| Unfair Trade Practices | Nil | NA | | Nil | NA | |
| Other | Nil | NA | | Nil | NA | |

**4. Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Not Applicable | |
| Forced recalls | | |

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. The company has in place framework on Information Security

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

With respect to complaints received against the advertisement given, the Company either corrected or withdrew the same wherever necessary.

## Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details of all our products and services is available on our website: https://www.greenlamindustries.com/

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The company has obtained certification for 'Greenguard' and 'Greenlabel' among other for its products. The certification labels are displayed on the products for consumers to make informed decision. The company products are compliant to all the expected standards of VOCs, formalin, and other allied chemical constituents' emissions, The company also discloses this information in its corporate website. Additionally, customers are also provided with Safety Data Sheet to help them for safe handling and disposal of the products. This document is also available on company website at the link below

https://www.greenlam.com/india/media/pdf/Safety%20Data%20Sheet%20%E2%80%93%20Laminates%20and%20Compacts.pdf

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Our products do not qualify as essential services, however, whenever necessary, information about disruption is shared through e-mail / call / visit in person.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Yes, 'Greenguard' and FSC® logos are displayed on applicable the high pressure laminates. In addition to that, BIS logo is also provided on applicable product categories. We also highlight that some of our products have anti-bacterial and anti-virus properties.

**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No.

**6. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact.**

None

**b. Percentage of data breaches involving personally identifiable information of customers.**

None

# Independent Auditors' Report

To
The Members of
**Greenlam Industries Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Greenlam Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act,2013 ("The act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2023, and the profit, and the total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key Audit Matter | Auditor's Response |
|---|---|
| Recognition of Revenue<br><br>The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.<br><br>For the year ended March 31, 2023, the Company's Statement of Profit & Loss included Sales of ₹181513.33 Lakhs. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control.<br><br>The nature of rebates, discounts, and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.<br><br>Refer to accounting policies Note I.09 and Note No. 29 of the standalone Financial Statements. | Our audit procedure included but not limited to<br><br>◆ 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.<br><br>◆ 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.<br><br>◆ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.<br><br>◆ We requested and obtained independent balance confirmations from the Company's customers on a sample basis.<br><br>◆ 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.<br><br>◆ In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.<br><br>◆ We validated the appropriateness and completeness of the related disclosures in Note No. 29 of the Standalone financial statements. |

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business responsibility report and Corporate Governance report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that

a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of sub-section 2 of section 164 of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) In our opinion, and to the best of our information and according to the information given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note no 40 to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note No 50 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**
Partner
Membership Number: 094380
UDIN: 23094380BGUMYU6356

Place: New Delhi
Date: May 27, 2023

## Annexure A" to the Independent Auditors' Report

The Annexure **as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements** of our Independent Auditors' Report to the members of Greenlam Industries Limited on the financial statements for the year ended March 31, 2023, we report that:

i. In respect of the Company's Property, Plant and Equipment (PPE) and Intangible:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE & relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanation provided to us, the Property, Plant & Equipment, and right to use assets have been physically verified by the management during the year, based on the regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

c) According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company as at the balance sheet date except for the following property (Refer Note No. 1.4 to the Standalone Financial Statements):

(₹ in Lakhs)

| Description of Property | Gross Carrying Value as on March 31, 2023 | Held in the Name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of Company |
|---|---|---|---|---|---|
| Building | 286.98 | SDB Infrastructure Private Limited | No | Since 2013 | The Company has obtained peaceful possession over the said property and taking necessary steps including discussion with the seller for transfer of the title deed to the Company. |

d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) According to the information and explanations given to us and based on our examination of the records of the Company, the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory and have been properly dealt with in the books of accounts.

b) According to the information and explanation given to us and based on our examination of records, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The returns/statement filed at end of the quarter with banks are in agreement with books of accounts of company.

iii. In our opinion and according to the information and explanations given to us, during the year, the Company have made unsecured loans, provided guarantee and made investments as disclosed

in note no 42.2, note no 40, and note no 4 of financial statements respectively. However, it has not provided security to companies, firms, Limited Liability Partnerships or any other parties.

a. In respect of loans and guarantee granted by the Company to its subsidiaries

(A) The aggregate amount of loan given during the year amounted to ₹3680 lakhs and balance outstanding at the balance sheet date with respect to such loans to subsidiaries is ₹3778.13 lakhs.

The aggregate amount of guarantee given during the year amounted to ₹94500 lakhs and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries is ₹97978.45 lakhs.

(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to loans and guarantee to parties other than subsidiaries, joint ventures and associates but being related party is nil.

b. According to the information and explanation given to us and based on our examination of records, the Company has made investment and provided guarantee to its subsidiaries., however investments so made and guarantees so provided are not prejudicial to the company's interest.

c. According to the information and explanation given to us and based on our examination of records, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the company is regular in repayment of principal and interest as and when due.

d. According to the information and explanation given to us and based on our examination of records, no amount is overdue, for more than ninety days Accordingly, provisions of clause 3 (iii) (d) of the Order is not applicable.

e. According to the information and explanation given to us and based on our examination of records, in respect of loans granted by the Company to its related party, the amount of which has fallen due during the year, neither any amount has been renewed or extended nor any fresh loans granted to settle the amount of said loans. Further, there is no overdue amount on account of said loans. Accordingly, the clauses 3 (iii) (e) of the Order is not applicable.

f. According to the information and explanation given to us and based on our examination of records, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the clauses 3 (iii) (f) of the Order is not applicable.

iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion:

a) the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, Goods and Services Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess, and other material statutory dues as applicable, with the appropriate authorities with slight delays. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

b) there are no statutory dues referred to in clause 3 (vii) (a) above which have not been deposited on account of any dispute except for the following:

| Name of Statute | Nature of Dues | Amount (₹) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Himanchal Pradesh VAT Act, 2005 | ITC claimed on purchase of diesel | 18.56 Lakhs | FY 2010-2011 | The Additional Excise and Taxation Commissioner Cum-Appellate Authority (South Zone) Shimla Himachal Pradesh |
| Income Tax Act, 1961 | Demand u/s 154 | 4.84 Lakhs* | FY 2013-14 | CIT (A) |
| Income Tax Act, 1961 | Certain allowances added back by AO | 472.51 Lakhs** | FY 2013-14 | CIT(A) |
| Income Tax Act, 1961 | TP Adjustment & Other disallowances | 206.29 Lakhs^ | FY 2016-17 | CIT(A) |
| Income Tax Act, 1961 | TP Adjustment & Other disallowances | 42.91 Lakhs | FY 2015-16 | CIT(A) |
| Income Tax Act, 1961 | TP Adjustment & Other disallowances | 132.05 Lakhs | FY 2017-18 | CIT(A) |
| Income Tax Act, 1961 | TP Adjustment penalty proceedings | 18.40 Lakhs | FY 2014-15 | CIT(A) |
| Income Tax Act, 1961 | Export Incentive added back | 364.95 Lakhs^^ | FY 2019-20 | CIT(A) |
| Income Tax Act, 1961 | Misc. Disallowance | 564.73 Lakhs | FY 2020-21 | CIT(A) |

* The amount mentioned excludes amount deposited under protest amounting to ₹0.60 lakhs

* *The amount mentioned excludes amount deposited under protest amounting to ₹180.32 lakhs

^ The amount mentioned excludes amount deposited under protest amounting to ₹52 lakhs

^^ The amount mentioned excludes amount deposited under protest amounting to ₹91.30 lakhs

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, provisions of clause 3(viii) of the Order is not applicable.

(ix) (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender. Accordingly, provisions of under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on a short- term basis have not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and the Company is not having associate or joint venture. Accordingly, provisions of clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries during the year and the Company is not having associate or joint venture. Accordingly, provisions of clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of clause 3 (x)(a) of the order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the company has not made private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year except preferential allotment made during the year company have complied with the requirements of section 42 and section 62

of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised

(xi) (a) According to the information and explanation given to us and based on our examination of records, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit except management reported a instance of misappropriation of inventory by one of the employee involving amount aggregating to ₹6.67 lakhs as mentioned in Note No. 54 to the financial statements. As informed to us, the Company has terminated the services of such employees and initiated legal proceedings.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have been informed that there is no whistle blower complaint received by the Company during the year (and up to the date of this report). Accordingly, provisions of clause 3(xi) of the Order is not applicable.

(xii) The company is not Nidhi Company. Accordingly, Clause (xii)(a), (xii)(b) and (xii)(c) of Para 3 of the order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the note no 42 of financial statements as required by the applicable Ind AS.

(xiv) (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 (2 of 1934). Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable to the company.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, there is one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year, accordingly, provisions of clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year

from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, provisions of clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**
Partner
Membership Number: 094380
UDIN: 23094380BGUMYU6356

Place: New Delhi
Date: May 27, 2023

## "Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Greenlam Industries Limited.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls with reference to financial statements reporting of Greenlam Industries limited ("the Company") as of March 31, 2023, 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, 2023, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statement issued by the Institute of Chartered Accountants of India.

**For S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**
Partner
Membership Number: 094380
UDIN: 23094380BGUMYU6356

Place: New Delhi
Date: May 27, 2023

# Standalone Balance Sheet as at 31 March, 2023

₹ in Lakhs

| | Note No. | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current Assets** | | | |
| Property, Plant and Equipment | 1 | 43064.24 | 38623.48 |
| Capital Work-in-Progress | 1 | 2494.16 | 306.56 |
| Other Intangible Assets | 2 | 1090.20 | 710.00 |
| Intangible Assets under Development | 2 | 12.76 | 151.42 |
| **Financial Assets** | | | |
| (i) Investments | 3 | 28467.85 | 13050.48 |
| (ii) Loans | 4 | 3778.13 | - |
| (iii) Trade Receivables | 5a | 131.42 | 108.53 |
| (iv) Others | 6 | 452.09 | 337.04 |
| Other Non-current Assets | 7 | 713.32 | 360.42 |
| **Total Non-current assets** | | **80204.18** | **53647.93** |
| **Current Assets** | | | |
| Inventories | 8 | 45238.68 | 44539.06 |
| **Financial Assets** | | | |
| (i) Investments | 9 | 21688.63 | 15663.23 |
| (ii) Trade Receivables | 5b | 12408.72 | 12410.69 |
| (iii) Cash and Cash Equivalents | 10 | 663.00 | 846.85 |
| (iv) Bank Balances other than above | 11 | 8.10 | 7.56 |
| (v) Loans | 12 | 51.20 | 49.69 |
| (vi) Other Financial Assets | 13 | 73.56 | 159.48 |
| Current Tax Assets (Net) | 14 | 597.76 | 500.94 |
| Other Current Assets | 15 | 4298.90 | 3096.36 |
| **Total Current assets** | | **85028.55** | **77273.86** |
| **Total Assets** | | **165232.73** | **130921.78** |
| **Equity & Liabilities** | | | |
| **Equity:** | | | |
| Equity Share Capital | 16 | 1269.93 | 1206.82 |
| Other Equity | 17 | 92234.50 | 61986.46 |
| **Total Equity** | | **93504.43** | **63193.28** |
| **Liabilities:** | | | |
| **Non-current Liabilities :** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 18 | 12896.21 | 15393.68 |
| (ii) Lease Liabilities | 19 | 4129.83 | 3510.13 |
| (iii) Other Financial Liabilities | 20 | 168.61 | 124.44 |
| Provisions | 21 | 875.28 | 866.31 |
| Deferred Tax Liabilities (Net) | 22 | 952.50 | 1145.78 |
| **Total Non-current liabilities** | | **19022.42** | **21040.35** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 23 | 19997.47 | 16909.48 |
| (ii) Lease Liabilities | 24 | 1268.72 | 1184.29 |
| (iii) Trade Payables | | | |
| -Total Outstanding Dues of Micro Enterprises and Small Enterprises | 25 | 1739.06 | 1226.96 |
| -Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 23626.28 | 22942.94 |
| (iv) Other Financial Liabilities | 26 | 1997.38 | 1570.37 |
| Other Current Liabilities | 27 | 3752.74 | 2553.65 |
| Provisions | 28 | 324.23 | 300.47 |
| **Total Current liabilities** | | **52705.88** | **46688.15** |
| **Total Equity and Liabilities** | | **165232.73** | **130921.78** |
| Corporate information | I | | |
| Basis of preparation of financial statements | II | | |
| Significant Accounting Policies | III | | |
| Notes to Accounts | 1 to 55 | | |

The accompanying notes referred above 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

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Standalone Statement of Profit and Loss for the year Ended 31 March, 2023

₹ in Lakhs

| | Note No. | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 |
|---|---|---|---|
| Income: | | | |
| Sale of Products | | 181513.33 | 151924.11 |
| Other Operating Revenue | | 3593.47 | 3994.44 |
| Revenue from Operations | 29 | **185106.81** | **155918.55** |
| Other Income | 30 | 3599.60 | 1746.69 |
| **Total Income** | | **188706.41** | **157665.24** |
| Expenses: | | | |
| Cost of Materials Consumed | 31 | 103220.61 | 92104.27 |
| Purchase of Stock in Trade | 32 | 506.26 | 414.01 |
| Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade | 33 | (506.77) | (2326.82) |
| Employees Benefits Expense | 34 | 25286.21 | 20854.06 |
| Finance Costs | 35 | 2291.42 | 1347.75 |
| Depreciation and Amortisation Expense | 36 | 5846.33 | 5430.66 |
| Other Expenses | 37 | 37013.26 | 28620.85 |
| **Total Expenses** | | **173657.33** | **146444.78** |
| **Profit before Exceptional Item and Tax** | | **15049.08** | **11220.46** |
| **Exceptional Item (gain)/Loss** | | **-** | **(258.96)** |
| **Profit before Tax** | | **15049.08** | **10961.50** |
| **Tax Expense** | | | |
| Current Tax | 38 | 3582.52 | 2701.02 |
| Tax adjustments of Earlier years | 52 | (637.86) | 68.72 |
| Deferred Tax | 22 | (183.64) | (344.75) |
| **Total** | | **2761.02** | **2424.99** |
| **Profit for the Year** | | **12288.06** | **8536.50** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurement gain/(loss) on defined benefit plans | | (38.40) | 31.37 |
| Income tax relating to items that will not be reclassified to profit or loss | | 9.66 | (7.90) |
| Other Comprehensive Income (net of tax) | | **(28.74)** | **23.47** |
| **Total Comprehensive Income for the year** | | **12259.32** | **8559.97** |
| Earnings per Equity Share Face Value ₹1 Each | | | |
| Basic and Diluted (in ₹) | 39 | 9.82 | 7.07 |
| Corporate information | I | | |
| Basis of preparation of financial statements | II | | |
| Significant Accounting Policies | III | | |
| Notes to Accounts | 1 to 55 | | |

The accompanying notes referred above 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

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Standalone Cash Flow Statement for the year Ended 31 March, 2023

₹ in Lakhs

| | Note No. | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 |
|---|---|---|---|
| **A. Cash flows from Operating Activities** | | | |
| **Profit before Exceptional Item and Tax** | | 15049.08 | 11220.46 |
| Adjustments for non cash and non operating items: | | | |
| Exceptional Item | | - | (258.96) |
| Depreciation and Amortisation Expense | | 5846.33 | 5430.66 |
| Finance Costs | | 2291.42 | 1347.75 |
| Liabilities no longer required written back | | (186.01) | (114.58) |
| Loss/(Profit) on Sale / Discard of Property Plant & Equipment | | (17.56) | 10.81 |
| Unrealised Foreign Exchange Fluctuations | | 36.05 | (52.36) |
| Bad Debts/Provision for Doubtful Debts | | 145.52 | 17.18 |
| Provision against Current Assets | | - | 23.13 |
| Dividend Received | | (1508.80) | (1096.74) |
| Profit on redemption of Current investments (Net) | | (466.72) | (157.53) |
| Interest Income | | (879.18) | (186.25) |
| | | **5261.05** | **4963.10** |
| **Operating Cash Flows Before Working Capital Changes** | | **20310.13** | **16183.57** |
| Working capital adjustments: | | | |
| (Increase) / Decrease in Trade and Other Receivables | | (1401.23) | 706.17 |
| (Increase) / Decrease in Inventories | | (699.62) | (11445.21) |
| (Decrease) / Increase in Trade Payables | | 2786.64 | 2743.81 |
| | | **685.79** | **(7995.23)** |
| **Net Cash Generated from Operating Activities** | | **20995.92** | **8188.34** |
| Direct Taxes (Paid) | | **(3041.48)** | **(3085.17)** |
| **Net cash from operating activities** | | **17954.44** | **5103.16** |
| **B. Cash flows from investing activities** | | | |
| Acquisition of Property Plant & Equipment (Including CWIP) | | (11356.57) | (2655.79) |
| Investment | | (21442.78) | (11016.99) |
| Proceed from Sale of Property Plant & Equipment | | 46.21 | 17.89 |
| Dividend Received | | 1508.80 | 1096.74 |
| Profit on redemption of Current investments (Net) | | 466.72 | 157.53 |
| Interest Received | | 879.18 | 186.25 |
| Loan to Subsidiary | | (3778.13) | 25.00 |
| **Net Cash used in Investing Activities** | | **(33676.57)** | **(12189.37)** |
| **C. Cash flows from financing activities** | | | |
| Issue of Equity Share Capital | | 19500.00 | - |
| Proceeds from Long Term Borrowings | | - | 9900.00 |
| Short Term Borrowings (Net) | | 3087.98 | 2662.01 |
| Lease Liability ( Net) | | (813.10) | (724.06) |
| Repayment of Long Term Borrowings | | (2497.47) | (2497.47) |
| Interest Paid | | (2290.96) | (1280.39) |
| Dividend Paid | | (1448.18) | (1206.82) |
| **Net Cash generated/(used) in Financing Activities** | | **15538.28** | **6853.26** |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **(183.86)** | **(232.94)** |
| Cash and Cash Equivalents at the beginning of the Year | | **846.85** | **1079.80** |
| **Cash and Cash Equivalents at the close of the Year** | **10** | **663.00** | **846.85** |
| | | | |
| **Cash & Cash Equivalent Includes** | | | |
| Balances with Banks - on Current Accounts | | 442.27 | 376.42 |
| Cash on Hand | | 26.90 | 27.87 |
| Remittance in Transit | | 193.83 | 442.56 |
| | | **663.00** | **846.85** |

# Standalone Cash Flow Statement for the year Ended 31 March, 2023

Non Cash Changes in Liabilities arising from financing activities

₹ in Lakhs

| Particulars | As at 1 April, 2021 | Cash Flows | Non Cash Change | As at 31 March , 2022 |
|---|---|---|---|---|
| Long Term Borrowings | 10488.62 | 7402.53 | - | 17891.15 |
| Short Term Borrowings | 11750.00 | 2662.01 | - | 14412.01 |

Non Cash Changes in Liabilities arising from financing activities

₹ in Lakhs

| Particulars | As at 1 April , 2022 | Cash Flows | Non Cash Change | As at 31 March , 2023 |
|---|---|---|---|---|
| Long Term Borrowings | 17891.15 | (2497.47) | - | 15393.68 |
| Short Term Borrowings | 14412.01 | 3087.99 | - | 17500.00 |

**Notes:**

(i) 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.

(ii) Acquisition of property, plant and equipment includes capital advances and liability for capital goods during the year.

(iii) 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

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Ashok Kumar Sharma**
Chief Financial Officer

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Standalone Statement of Changes in Equity for the year Ended 31 March, 2023

## a) Equity share capital

₹ in Lakhs

| Particulars | Note | Amount |
|---|---|---|
| Balance as at 1 April 2021 | 16 | 1206.82 |
| Issue of equity share capital during the year | | - |
| Balance as at 31 March 2022* | | 1206.82 |
| Issue of equity share capital during the year | | 63.11 |
| **Balance as at 31 March 2023** | | **1269.93** |

* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹1206.82 lakhs consist of 120681870 equity shares of ₹1/- each.

## b) Other equity

₹ in Lakhs

| Particulars | Note | Reserves and surplus | | | | Items of Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| | | Capital reserve | General reserve | Retained earnings | Securities Premium | Remeasurements of defined benefit liability | |
| Balance as at 1 April 2021 | 17 | 15333.48 | 3000.00 | 36494.69 | - | (194.86) | 54633.30 |
| **Total comprehensive income for the year ended 31 March 2022** | | | | | | | |
| Profit or loss for the Year | | - | - | 8536.50 | - | - | 8536.50 |
| Transfer to Reserve | | - | 500.00 | (500.00) | - | - | - |
| Other comprehensive income (net of tax) | | - | - | - | - | 23.47 | 23.47 |
| **Total comprehensive income** | | **-** | **500.00** | **8036.50** | **-** | **23.47** | **8559.98** |
| Dividend on Equity Shares | | - | - | (1206.82) | - | - | (1206.82) |
| **Balance as at 31 March 2022** | | 15333.48 | 3500.00 | 43324.37 | - | (171.39) | 61986.46 |
| **Balance as at 1 April 2022** | | **15333.48** | **3500.00** | **43324.37** | **-** | **(171.39)** | **61986.46** |
| **Total comprehensive income for the year ended 31 March 2023** | | | | | | | |
| Profit or loss for the Year | | - | - | 12288.06 | - | - | 12288.06 |
| Transfer to Reserve | | - | 500.00 | (500.00) | - | - | - |
| Other comprehensive income (net of tax) | | - | - | - | - | (28.74) | (28.74) |
| Security Premium on Equity Shares | | - | - | - | 19436.89 | - | 19436.89 |
| **Total comprehensive income** | | **-** | **500.00** | **11788.06** | **19436.89** | **(28.74)** | **31696.22** |
| Dividend on Equity Shares | | - | - | (1448.18) | - | - | (1448.18) |
| **Balance as at 31 March 2023** | | **15333.48** | **4000.00** | **53664.25** | **19436.89** | **(200.12)** | **92234.50** |

| | |
|---|---|
| Corporate information | I |
| Basis of preparation of financial statements | II |
| Significant Accounting Policies | III |
| Notes to Accounts | 1 to 55 |

The accompanying notes referred above 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

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
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**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

**COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

## I CORPORATE INOFRMATION:

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 203, 2nd floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi-110037 , India.

Company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at Behror and Nalagarh and branches and dealers' network spread all over the country. It has two overseas wholly owned subsidiary companies i.e. ,Greenlam Asia Pacific Pte Ltd and Greenlam America Inc. add two domestic subsidiary , Greenlam South Ltd ( wholly owned) and HG Industries Limited ( holding 74.91% shares).

It imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. The overseas subsidiaries of the company are mainly engaged in marketing and distribution of company's product.

## II BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

**a. STATEMENT OF COMPLIANCE**

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements of the Company for the year ended 31 March, 2023 are authorized for issue in accordance with a resolution of the Directors on 27th May, 2023.

**b. BASIS OF MEASUREMENT**

The financial statements have been prepared under the historical cost basis, except for following assets and liabilities which have been measured at fair value.

a. Derivative Financial Instruments – Fair Value

b. Net Defined Benefits (Assets)/ Liability- Present value of Defined benefit obligations via actuarial valuation.

Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing Indian accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluate all recently issued all revised Indian accounting standards on an on-going basis.

**c. ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Management believes that estimates used in the preparation of the financial statements are prudent and reasonable.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**d. FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to two decimal points of lakhs, unless otherwise indicated.

**e. CURRENT OR NON CURRENT CLASSIFICATION**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

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. 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, 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/disposal of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

**1.01.03** Depreciation commences when assets are available for there intended use. Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over there useful Life from the date they are available for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, if any, 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 Equipment -5-15 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipment - 3-10 years

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

**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.

**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 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.

**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 an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

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 measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**1.04 INVENTORIES:**

**1.04.01** The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit and at port related to these items are valued at lower of cost to date or net realisable value. Inventories shall be measured at the lower of cost and 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.

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

**1.06 MEASUREMENT OF FAIR VALUES**

**1.06.01** A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**1.06.02** The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**1.07 FINANCIAL ASSETS:**

**1.07.01** The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost using effective interest rate method.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company measures all equity instruments in subsidiaries at cost initially and also on subsequent recognition.

Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the 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 transaction price.

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.

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

**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. They are recognised initially and subsequently measured at transaction price.

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. 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 reliable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the transaction price 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 amortised cost and at the effective interest rate applicable.

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

**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, Duty Free Import Authorisation (DFIA), 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, DFIA and/or the same are sold. Incentives on exports are recognised in books after due consideration of certainty of utilization/receipt of such incentives,

**Government Grant:** Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income".

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within other income.

Sums receivable under the Central Government's "Scheme of budgetary support under Goods and Service Tax Regime" to compensate the loss on account of denial of exemption from payment of Goods and Services Tax is recognised in the profit or loss of the period in which it becomes receivable, if there is no unfulfilled condition and other contingencies attaching thereto.

**1.10 FOREIGN CURRENCY TRANSACTIONS:**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

**1.11 EMPLOYEE BENEFITS:**

**1.11.01** Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

**1.11.02** Post Employment and Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

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 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 capitalized 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 capitalization.

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

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

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 the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**1.15 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:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**1.16.02** Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilized.

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 utilized. Unrecognized 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 realized 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.

# Significant Accounting Policies to Standalone Financial Statement

for the year Ended 31 March, 2023

**1.17.02** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

**1.18 ACCOUNTING STANDARD NOT YET EFFECTIVE**

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences . The Company is evaluating the impact, if any, in its financial statements

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## Note 1: Property Plant and Equipment & Capital work in progress

₹ in Lakhs

| GROSS BLOCK | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant & Equipment | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | **1094.20** | **603.11** | **1575.72** | **6580.68** | **14051.58** | **42984.28** | **3454.53** | **1031.75** | **22.77** | **1705.23** | **73103.85** | **1633.61** |
| Additions | 114.16 | - | - | 595.65 | 1752.33 | 2269.90 | 103.28 | 0.82 | 18.60 | 242.21 | 5096.95 | 297.38 |
| Disposals | - | - | - | 662.69 | - | 66.77 | 29.41 | 13.39 | - | 18.39 | 790.65 | 1624.43 |
| **Balance at 31.03.22** | **1208.36** | **603.11** | **1575.72** | **6513.64** | **15803.91** | **45187.41** | **3528.40** | **1019.18** | **41.37** | **1929.05** | **77410.15** | **306.56** |
| **Balance at 1.04.22** | **1208.36** | **603.11** | **1575.72** | **6513.64** | **15803.91** | **45187.41** | **3528.40** | **1019.18** | **41.37** | **1929.05** | **77410.15** | **306.56** |
| Additions | 853.76 | - | - | 1539.00 | 1389.01 | 5163.55 | 251.24 | 291.96 | 10.43 | 523.79 | 10022.74 | 2493.71 |
| Disposals | - | - | - | 188.54 | - | 124.19 | 28.09 | 87.23 | - | 90.47 | 518.52 | 306.10 |
| **Balance at 31.03.23** | **2062.12** | **603.11** | **1575.72** | **7864.11** | **17192.92** | **50226.77** | **3751.55** | **1223.91** | **51.80** | **2362.37** | **86914.38** | **2494.16** |

₹ in Lakhs

| ACCUMULATED DEPRECIATION | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant & Equipment | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | **-** | **32.63** | **43.56** | **1745.66** | **3889.66** | **25496.78** | **1043.22** | **602.14** | **10.43** | **1148.80** | **34012.88** | **-** |
| Depreciation | - | 4.11 | 21.97 | 941.58 | 437.71 | 3143.21 | 313.10 | 87.50 | 3.22 | 228.79 | 5181.19 | - |
| Disposals | - | - | - | 308.11 | - | 50.51 | 19.57 | 12.41 | - | 16.80 | 407.40 | - |
| **Balance at 31.03.22** | **-** | **36.74** | **65.53** | **2379.13** | **4327.37** | **28589.48** | **1336.75** | **677.23** | **13.65** | **1360.79** | **38786.67** | **-** |
| **Balance at 1.04.22** | **-** | **36.74** | **65.53** | **2379.13** | **4327.37** | **28589.48** | **1336.75** | **677.23** | **13.65** | **1360.79** | **38786.67** | **-** |
| Depreciation | - | 4.11 | 21.97 | 973.22 | 524.80 | 3346.50 | 314.86 | 90.06 | 4.44 | 273.36 | 5553.33 | - |
| Disposals | - | - | - | 188.54 | - | 116.61 | 19.73 | 80.50 | - | 84.49 | 489.87 | - |
| **Balance at 31.03.23** | **-** | **40.86** | **87.51** | **3163.80** | **4852.17** | **31819.37** | **1631.88** | **686.79** | **18.09** | **1549.66** | **43850.13** | **-** |

₹ in Lakhs

| CARRYING AMOUNT | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant & Equipment | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **At 31.03.22** | **1208.36** | **566.37** | **1510.19** | **4134.52** | **11476.54** | **16597.93** | **2191.65** | **341.95** | **27.72** | **568.26** | **38623.48** | **306.56** |
| **At 31.03.23** | **2062.12** | **562.25** | **1488.21** | **4700.30** | **12340.75** | **18407.40** | **2119.67** | **537.12** | **33.71** | **812.71** | **43064.24** | **2494.16** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**Note: 1a**

**Capital Work in Progress Ageing**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date/transaction date | | | | Total |
|---|---|---|---|---|---|
| **31.03.2023** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | |
| Project in Progress | 2493.71 | 0.45 | - | - | 2494.16 |
| Projects temporarily suspended | - | - | - | - | - |
| **31.03.2022** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | **Total** |
| Project in Progress | 292.89 | 13.66 | - | - | 306.56 |
| projects temporarily suspended | - | - | - | - | - |

## Note 2: Intangible Assets

₹ in Lakhs

| GROSS BLOCK | Trademarks | Computer Software | Technical Knowhow | Total of Other Intangible Assets | Intangible Assets Under Development |
|---|---|---|---|---|---|
| **Balance at 1.04.21** | **68.58** | **1654.92** | **334.91** | **2058.41** | **71.54** |
| Additions | - | 167.59 | - | 167.59 | 151.42 |
| Currency Transaction Adjustment | - | - | - | - | 71.54 |
| Disposals | | | | | |
| **Balance at 31.03.2022** | **68.58** | **1822.51** | **334.91** | **2226.00** | **151.42** |
| **Balance at 1.04.22** | **68.58** | **1822.51** | **334.91** | **2226.00** | **151.42** |
| Additions | - | 673.20 | - | 673.20 | 211.25 |
| Currency Transaction Adjustment | - | - | - | - | 349.92 |
| Disposals | | | | | |
| **Balance at 31.03.2023** | **68.58** | **2495.71** | **334.91** | **2899.20** | **12.76** |

₹ in Lakhs

| ACCUMULATED AMORTIZATION | Trademarks | Computer Software | Technical Knowhow | Total of Other Intangible Assets | Intangible Assets Under Development |
|---|---|---|---|---|---|
| **Balance at 1.04.21** | **68.58** | **863.04** | **334.91** | **1266.54** | **-** |
| Depreciation | - | 249.47 | - | 249.47 | - |
| Disposals | - | - | - | - | - |
| **Balance at 31.03.2022** | **68.58** | **1112.51** | **334.91** | **1516.00** | **-** |
| **Balance at 1.04.22** | **68.58** | **1112.51** | **334.91** | **1516.00** | **-** |
| Depreciation | - | 293.00 | - | 293.00 | - |
| Disposals | - | - | - | - | - |
| **Balance at 31.03.2023** | **68.58** | **1405.51** | **334.91** | **1809.00** | **-** |

₹ in Lakhs

| CARRYING AMOUNT | Trademarks | Computer Software | Technical Knowhow | Total of Other Intangible Assets | Intangible Assets Under Development |
|---|---|---|---|---|---|
| **At 31.03.2022** | **-** | **710.00** | **-** | **710.00** | **151.42** |
| **At 31.03.2023** | **-** | **1090.20** | **-** | **1090.20** | **12.76** |

**Intangible Assets under Development Ageing**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date/ transaction date | | | | Total |
|---|---|---|---|---|---|
| **31.03.2023** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | |
| Project in Progress | 12.76 | - | - | - | 12.76 |
| **31.03.2022** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | **Total** |
| Project in Progress | 151.42 | - | - | - | 151.42 |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

1.1 During the FY 2022-23 , no revaluation of property, plant and equipment is done by the company.

1.2 There are no Capital Work in progress, Intangible assets under development where completion is over due against original planed timelines or where estimated cost exceeded its original planned cost as on 31st March 23 and 31st March 2022

1.3 Refer note no. 18 & 23 for property, plant and equipment subject to charges against borrowings.

1.4 Title deed of One Office Premises is yet to be transferred in the name of the company, details of which is given below.

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ in Lakhs) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| Property Plant & Equipment | Office Building | 286.98 | SDB Infrastructure Private Limited *An "Agreement to Sell" executed on 16.03.2005 by and between Som Dutt Builders Private Limited (presently SDB Infrastructure Private Limited) and Greenply Industries Limited (predecessor in interest) for sale of the subject property to the former and the said agreement was registered on 16.03.2005. | N/A | April 01, 2013#<br># Being the Appointed Date of the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors approved by the Hon'ble Gauhati High Court on October 31, 2014. | The Company has obtained peaceful possession over the said property pursuant to the above related scheme and taking necessary steps including discussion with seller to transfer the title of the company. |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 3 Non-Current Investments

₹ in Lakhs

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Investments in Equity Instruments of subsidiaries (at Cost)** | | | | |
| Trade, Unquoted , Fully Paid up | | | | |
| Greenlam Asia Pacific PTE Ltd - Equity Shares of US$ 1 each | 2778865 | 1670.74 | 2778865 | 1670.74 |
| Greenlam America Inc. - Equity Shares of US$ 1 each | 1600000 | 740.22 | 1600000 | 740.22 |
| Greenlam Europe (UK) Ltd.- Equity Shares of GBP 1 each | 1 | - | 1 | - |
| [ ₹82 (Previous year ₹82)] | | | | |
| Greenlam South Ltd. - Equity Shares of ₹10 each | 8118682 | 5714.34 | 8118682 | 5714.34 |
| Greenlam Russia LLC | 1% | 0.19 | 1% | 0.19 |
| Greenlam Poland Sp Z.O.O | 1% | 0.19 | 1% | 0.19 |
| | | 8125.68 | | 8125.68 |
| **Trade, Quoted , Fully Paid up** | | | | |
| HG Industries Ltd- Equity Shares of ₹5 each | 3470966 | 1394.36 | 3470966 | 1394.36 |
| | | 9520.04 | | 9520.04 |
| **Investments in Equity Instruments (at Cost) Other than Subsidiaries** | | | | |
| **Non-Trade, Unquoted , Fully Paid up** | | | | |
| Indian Laminate Association Trust- 125 equity shares of ₹1000 each | 125 | 1.25 | 125 | 1.25 |
| | | 1.25 | | 1.25 |
| **Investments in Preference Instruments (at Cost) of Subsidiaries** | | | | |
| **Trade, Unquoted , Fully Paid up** | | | | |
| Greenlam South Ltd. - Preference Shares of ₹10 each | 4960512 | 18946.56 | 1307170 | 3529.19 |
| | | **18946.56** | | **3529.19** |
| | | **28467.85** | | **13050.48** |
| | | | | |
| Aggregate amount of Unquoted Investments | | **27073.49** | | **9628.11** |
| Aggregate Market Value of Quoted Investments | | **4137.39** | | **3422.37** |
| Aggregate amount of Impairment on Value of Investment | | - | | - |
| Investment In India | | 26056.51 | | 10639.14 |
| Investment Outside India | | 2411.34 | | 2411.34 |

## 4 Loan

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Loan to Subsidiary* | 3778.13 | - |
| | **3778.13** | **-** |

*Refer note no. 43

## 5a Trade Receivables (Non - Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Unsecured, considered good | 131.42 | 108.53 |
| | **131.42** | **108.53** |

## 5b Trade Receivables (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Secured, considered good | 346.53 | 327.23 |
| Unsecured, considered good | 12062.19 | 12083.46 |
| Credit Impaired | 231.35 | 85.83 |
| | **12640.07** | **12496.52** |
| Less : Loss Allowance (Credit Impaired) | 231.35 | 85.83 |
| | **12408.72** | **12410.69** |
| **Of the above, Trade Receivable from Related parties are as below:** | | |
| Trade Receivable due from related parties (Refer note no. 42) | **4083.59** | **5705.84** |
| Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a member | - | - |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**Ageing Schedule**

₹ in Lakhs

| | Not Due | Less than 6 months | 6-12 months | More than 1 year | Total |
|---|---|---|---|---|---|
| **31 March 2023** | | | | | |
| Undisputed Trade receivables (considered good) | 8956.31 | 2500.02 | 1136.27 | 178.90 | 12771.50 |
| Undisputed Trade receivables which have significant increase in Credit risk | - | - | - | - | - |
| Disputed Trade receivables | - | - | - | - | - |
| Expected credit loss (Provision for doubtful debts) | 0.10 | 0.23 | 115.98 | 115.05 | 231.35 |
| **Carrying amount (net of impairment)** | **8956.21** | **2499.79** | **1020.29** | **63.85** | **12540.14** |
| **31 March 2022** | | | | | |
| Undisputed Trade receivables (considered good) | 10380.80 | 1931.97 | 55.83 | 236.45 | 12605.05 |
| Undisputed Trade receivables which have significant increase in Credit risk | - | - | - | - | - |
| Disputed Trade receivables | - | - | - | - | - |
| Expected credit loss (Provision for doubtful debts) | 0.64 | 0.74 | 0.77 | 83.68 | 85.83 |
| **Carrying amount (net of impairment)** | **10380.16** | **1931.23** | **55.06** | **152.77** | **12519.22** |

## 6 Others (Non Current Financial Asset)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Security Deposit - Lease | 452.09 | 337.04 |
| | **452.09** | **337.04** |

## 7 Other Non-Current Assets

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Capital Advances | 484.89 | 133.05 |
| Prepaid Interest on Security Deposits | 33.49 | 35.35 |
| Other Security Deposits | 157.17 | 150.62 |
| Prepaid Expenses | 37.77 | 41.40 |
| | **713.32** | **360.42** |

## 8 Inventories

**(at lower of cost or net realisable value)**

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Raw Materials (including in transit and at Customs Warehouse ₹3852.96 Lakhs (Previous Year ₹4677.75 Lakhs)) | 26971.24 | 27000.87 |
| Stock in Process | 4159.21 | 4422.87 |
| Finished Goods (including in Transit ₹4280.91 Lakhs (Previous year ₹2562.72 Lakhs)) | 11595.90 | 10821.58 |
| Stock In Trade | 92.94 | 96.83 |
| Stores & Spares | 2419.39 | 2196.91 |
| | **45238.68** | **44539.06** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 9 Current Investments

₹ in Lakhs

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Investment in Quoted Mutual Funds measured at FVTPL** | | | | |
| Aditya Birla Sun Life Overnight Fund - Direct Growth Plan | - | - | 205161 | 2358.70 |
| Aditya Birla Sun Life Savings Fund - Direct Growth Plan | - | - | 716490 | 2458.46 |
| Axis Overnight Fund - Direct Growth Plan | 29526 | 350.05 | 209423 | 2353.58 |
| Axis Liquid Fund - Direct Growth Plan | 40026 | 1001.00 | 91011 | 2151.56 |
| Nippon India Overnight Fund - Direct Growth Plan | 707019 | 851.00 | 2978393 | 6340.92 |
| Kotak Liquid Fund - Direct Growth Plan | 19869 | 903.73 | - | - |
| Kotak Overnight Fund - Direct Growth Plan | 92085 | 1101.14 | - | - |
| | | | | |
| **Bonds measured at Amortised Cost** | | | | |
| 5.04% Indian Railway Finance Corporation Ltd. | 100 | 989.84 | - | - |
| Bharat Bond ETF- Edelweiss Mutual Fund | 84514 | 1038.74 | - | - |
| 6.80% REC Ltd. | 100 | 1002.67 | - | - |
| 6.98% Power Finance Corporation Ltd. | 150 | 1504.73 | - | - |
| 5.44% National Bank for Agriculture and Rural Development | 100 | 979.16 | - | - |
| 5.40% Housing Development Finance Corporation Ltd. | 200 | 1975.68 | - | - |
| 5.14% National Bank for Agriculture and Rural Development | 200 | 1945.79 | - | - |
| 5.47% Power Finance Corporation Ltd. | 100 | 987.50 | - | - |
| 5.53% National Bank for Agriculture and Rural Development | 100 | 979.35 | - | - |
| 5.69% REC Ltd. | 100 | 988.93 | - | - |
| 6.40% National Bank for Agriculture and Rural Development | 100 | 993.25 | - | - |
| 9.05% Housing Development Finance Corporation Ltd. | 150 | 1529.91 | - | - |
| 9.08% LIC Housing Finance Ltd. | 100 | 1023.18 | - | - |
| 8.50% Indian Railway Finance Corporation Ltd. | 50 | 511.55 | - | - |
| 9.58% Export Import Bank of India | 50 | 514.58 | - | - |
| Accrued Interest on Bond | - | 516.87 | - | - |
| | | **21688.63** | | **15663.23** |
| **Aggregate Book Value of Unquoted Investments** | | **-** | | **-** |
| **Aggregate Market Value of Quoted Investments** | | **21688.63** | | **15663.23** |
| **Aggregate amount of Impairment on Value of Investment** | | **-** | | **-** |

## 10 Cash & Cash Equivalents

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balances with Banks - on Current Accounts | 442.27 | 376.42 |
| Cash on Hand | 26.90 | 27.87 |
| Remittance in Transit | 193.83 | 442.56 |
| | **663.00** | **846.85** |

## 11 Other Bank Balance

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Earmarked balance with Banks for Unpaid Dividend Accounts | 4.98 | 4.19 |
| Margin Money | 3.12 | 3.37 |
| | **8.10** | **7.56** |

## 12 Loan (Current Financial Assets)

**(Unsecured, considered good)**

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance to Employees | 51.20 | 49.69 |
| **Total** | **51.20** | **49.69** |

## 13 Other Financial Asset (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Derivative Instruments-Mark to Market valuation | - | 73.21 |
| Insurance Claim Receivable* | 73.56 | 86.27 |
| | **73.56** | **159.48** |

*Amount Netted of Provision of ₹40.99 Lakhs

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 14 Current Tax Assets (Net)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current tax assets (Net of provision for income tax) | 597.76 | 500.94 |
| | **597.76** | **500.94** |

## 15 Other Current Assets

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance against Purchases | 586.08 | 356.89 |
| Balance with Government Authorities | 1514.12 | 319.05 |
| Goods and Service Tax Refund Receivable* | 159.16 | 452.33 |
| Advance Payment of Sales Tax | 30.70 | 29.41 |
| Export Incentive Receivable | 1554.28 | 1491.58 |
| Prepaid Expenses | 454.57 | 447.10 |
| | **4298.90** | **3096.36** |

* includes interest paid on IGST of ₹109.80 Lakhs on imports made under advance authorization scheme after intimation by Department. Later on Hon'ble Gujrat High court has set aside the order in similar matter of other company. Considering this case, company requested concerned govt authorities for refund of interest so paid. The department has communicated that the matter is pending with Hon'ble Supreme Court and accordingly this amount has been kept as receivable.

## 16 Equity Share Capital

₹ in Lakhs

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **16.1 Authorised** | | | | |
| Equity Shares of ₹5 each | - | - | - | - |
| Equity Shares of ₹1 each | 150000000 | 1500.00 | 150000000 | 1500.00 |
| **16.2 Issued, Subscribed and Fully Paid up** | | | | |
| Equity Shares of ₹5 each | - | - | - | - |
| Equity Shares of ₹1 each | 126992550 | 1269.93 | 120681870 | 1206.82 |
| **16.3 The reconciliation of the number of shares outstanding** | | | | |
| Equity Shares at the beginning of the year ( Face Value ₹1)* | 120681870 | 1206.82 | 24136374 | 1206.82 |
| Less: Equity Shares Cease to Exist * | - | - | (2416374) | (1206.82) |
| Add : Shares Split during the year (Face Value ₹1)* | - | - | 120681870 | 1206.82 |
| Add : Shares issued during the year # | 6310680 | 63.11 | - | - |
| | **126992550** | **1269.93** | **120681870** | **1206.82** |

* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹1206.82 lakhs consist of 120681870 equity shares of ₹1/- each.

# The Company has allotted 6310680 equity shares of the Company of face value of ₹1 each to Smiti Holding and Trading Company Private Limited on preferential basis at a price of ₹309 per share aggregating to ₹19500.00 lakhs. Pursuant to the aforesaid allotment, the paid-up Equity Share Capital of the Company stands increased from ₹1206.82 lakhs to ₹1269.93 lakhs.

**16.4 Terms/Rights attached to the Equity Shares**

The Company has a single class of Equity Shares having a par value of ₹1 per share (Previous Year ₹5 per share, Split during the year to ₹1). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹1.20 (Previous year ₹1). And this year interim dividend distributed ₹ Nil per share (Previous year ₹ Nil) Refer note no. 50 for proposed dividend.

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

The company has neither issued bonus shares not has bought back any shares during last 5 years

No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date

No Securities convertible into Equity/Preference shares have been issued by the Company during the year.

No calls are unpaid by any Director or Officer of the Company during the year.

No share issued for consideration other than cash during the year.

**16.5 Name of the Shareholders holding more than 5% Shares**

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| SM Greenlam Investments Private Limited (formerly known as Greenply Leasing & Finance Pvt Ltd) | 48197555 | 37.95% | 48197555 | 39.94% |
| Saurabh Mittal | 11645855 | 9.17% | 11645855 | 9.65% |
| HDFC Trustee Company Ltd | 10783172 | 8.49% | 10835880 | 8.98% |
| Ashish Dhawan | - | - | 6814210 | 5.65% |
| Blue Diamond Properties Private Limited | 8729850 | 6.87% | 8729850 | 7.23% |
| Hydra Trading Private Limited | 9436480 | 7.43% | - | - |

**16.6 Details of shares held by promoters Ageing Schedule**

| | Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | Change in holding % |
|---|---|---|---|---|---|---|
| **As at 31 March 2023** | | | | | | |
| Equity shares of ₹1 each* | Mr. Saurabh Mittal | 11645855 | - | 11645855 | 9.17% | 0.00% |
| **As at 31 March 2022** | | | | | | |
| Equity shares of ₹1 each* | Mr. Saurabh Mittal | 15732670 | (4086815) | 11645855 | 9.65% | (3.39%) |

16.7 The Company has not reserved any shares for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

## 17 Other Equity

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Capital Reserve** | | |
| Balance at the beginning of Financial Year | 15333.48 | 15333.48 |
| Balance at the end of Financial Year | **15333.48** | **15333.48** |
| **General Reserve** | | |
| Balance at the beginning of Financial Year | 3500.00 | 3000.00 |
| Add: Transferred from Statement of Profit and Loss | 500.00 | 500.00 |
| Balance at the end of Financial Year | **4000.00** | **3500.00** |
| **Securities Premium** | | |
| Shares issued during the year* | 19436.89 | - |
| Balance at the end of Financial Year | **19436.89** | **-** |
| *Refer note no. 16.3 for issue of shares | | |
| **Retained Earnings other than OCI** | | |
| Balance at the beginning of Financial Year | 43324.37 | 36494.69 |
| Add : Profit for the year | 12288.06 | 8536.50 |
| Less : Transferred to General Reserve | 500.00 | 500.00 |
| Less : Dividend on Equity Shares | 1448.18 | 1206.82 |
| Balance at the end of Financial Year | **53664.25** | **43324.37** |
| **Other Comprehensive Income (OCI)** | | |
| Balance at the beginning of Financial Year | (171.39) | (194.86) |
| Remeasurements of the net defined benefit plans | (28.74) | 23.47 |
| Balance at the end of Financial Year | **(200.12)** | **(171.39)** |
| | **92234.50** | **61986.46** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 18 Borrowing (Non Current)

(Refer note 46 for Method of Valuation) ₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Secured** | | |
| Term Loans from banks (Rupee loan) | 5493.68 | 7991.15 |
| | **5493.68** | **7991.15** |
| Less : Current maturities of Long Term Borrowings* | 2497.47 | 2497.47 |
| | **2996.21** | **5493.68** |
| Non - Convertible Debentures (Refer Note 18.3) | 9900.00 | 9900.00 |
| | **12896.21** | **15393.68** |

* Represents Current Maturities of Long Term Borrowings.

**18.1** Term Loans of ₹5493.68 Lakhs (Previous Year ₹7991.15 Lakhs) are secured by first pari-passu charge on all movable assets of the Company, present and future, first pari-passu charge on immovable 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.

**18.2 Terms of Repayment** ₹ in Lakhs

| Term Loans from Banks | Repayment Schedule | | |
|---|---|---|---|
| | 2023-2024 | 2024-2025 | 2025-2026 |
| **Secured** | | | |
| Equal Quarterly Installments | 1000.00 | 750.00 | - |
| Equal Quarterly Installments | 1497.47 | 1497.47 | 748.74 |
| | **2497.47** | **2247.47** | **748.74** |

**18.3 Non - Convertible Debentures** ₹ in Lakhs

| Particulars | Terms of Repayment | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| 290 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series II). Interest Rate 7.78%. Issued on 28/2/2022 | 100% Redeemable at par on 28th February 2025 | 2900.00 | 2900.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 23% Redeemable at par on 28th August, 2025 | 1610.00 | 1610.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 20% Redeemable at par on 28th May, 2025 | 1400.00 | 1400.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 20% Redeemable at par on 28th February, 2025 | 1400.00 | 1400.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 17% Redeemable at par on 28th November, 2024 | 1190.00 | 1190.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 10% Redeemable at par on 28th August, 2024 | 700.00 | 700.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 10% Redeemable at par on 28th May, 2024 | 700.00 | 700.00 |
| **Total** | | **9900.00** | **9900.00** |

All the NCD's issued are secured by first pari passu charge on movable assets of the Company, present & future; first pari passu charge on immovable assets of the Company situated at Behror(Rajasthan) and Nalagarh(Himachal Pradesh)and second pari passu charge on current assets of the Company, present and future.

**18.4** The Company has not defaulted in repayment of loans and interest during the year.

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 19 Lease Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Liability for Right to Use (Refer note no. 49) | 4129.83 | 3510.13 |
| | **4129.83** | **3510.13** |

## 20 Other Financial Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Security Deposits from Customers | 168.61 | 124.44 |
| | **168.61** | **124.44** |

## 21 Provisions (Non Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Provisions for Employee Benefits | | |
| Net defined benefit liability- Gratuity (Refer Note No. 34.1.(iii))* | 202.18 | 297.11 |
| Liability for compensated absences (Refer Note No. 34.2) | 673.10 | 569.20 |
| | **875.28** | **866.31** |

* includes ₹75.30 Lakhs of one employee whose provision is booked as per agreement. Provision for Gratuity is shown as net of planned assets

## 22 Deferred Tax Liability (Net)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Depreciation on Property Plant & Equipment and intangible asset | 1555.87 | 1688.19 |
| | **1555.87** | **1688.19** |
| **Less : Deferred Tax Assets** | | |
| Provision for Gratuity/Liabilities | 603.37 | 542.41 |
| | **952.50** | **1145.78** |

## 23 Borrowings (Current)

(Refer note 46 for Method of Valuation)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (Refer note 46 for Method of Valuation) | | |
| **Secured** | | |
| Working Capital Loans from Banks (Rupee Loan) | 16350.00 | 10200.00 |
| Current Maturity of Term Loans* | 2497.47 | 2497.47 |
| | **18847.47** | **12697.47** |
| Unsecured loan from banks | 1150.00 | 4212.01 |
| | **19997.47** | **16909.48** |

* Refer note 18.1

**23.1** Working Capital Loans of ₹16350.00 Lakhs ( Previous year ₹10200.00 Lakhs) are secured by first pari-passu charge on all current assets of the company, present and future, second pari-passu charge on all movable assets of the company, present and future and second pari-passu charge on immovable assets of the company's units at Behror (Rajasthan) and Nalagarh (Himachal Pradesh).

**23.2** The Company has not defaulted in repayment of loans and interest during the year.

## 24 Lease Liabilities (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Liability for Right to Use (Refer note no. 49) | 1268.72 | 1184.29 |
| | **1268.72** | **1184.29** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 25 Trade Payables

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| -Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer note no. 48) | | |
| (to the extent identified with the available information) | 1739.06 | 1226.96 |
| -Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | 23626.28 | 22942.94 |
| | **25365.34** | **24169.90** |

₹ in Lakhs

| Ageing Schedule | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **31 March 2023** | | | | | | |
| Dues to micro and small enterprises | 1496.71 | 242.35 | - | - | - | 1739.06 |
| Dues to other than micro and small enterprises | 19550.97 | 4013.17 | 39.44 | 15.76 | 6.94 | 23626.28 |
| Disputed micro and small enterprises | - | - | - | - | - | - |
| Disputed other than micro and small enterprises | - | - | - | - | - | - |
| | **21047.68** | **4255.52** | **39.44** | **15.76** | **6.94** | **25365.34** |
| **31 March 2022** | | | | | | |
| Dues to micro and small enterprises | 1196.70 | 30.26 | - | - | - | 1226.96 |
| Dues to other than micro and small enterprises | 17608.45 | 5228.20 | 42.13 | 56.91 | 7.25 | 22942.94 |
| Disputed micro and small enterprises | - | - | - | - | - | |
| Disputed other than micro and small enterprises | - | - | - | - | - | |
| | **18805.15** | **5258.46** | **42.13** | **56.91** | **7.25** | **24169.90** |

## 26 Other Financial Liability (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Interest Accrued but not due on borrowings | 68.45 | 67.99 |
| Unpaid Dividend | 4.98 | 4.19 |
| Derivative Instruments-Mark to Market valuation | 1.20 | - |
| Employees Payables | 1922.74 | 1498.16 |
| Others | 0.02 | 0.03 |
| **Total** | **1997.38** | **1570.37** |

26.1 Amount credited to the Investor Education and Protection Fund ₹0.11 Lakhs (Previous year ₹ Nil)

## 27 Other Current Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance from Customers | 2305.31 | 1278.51 |
| Statutory Dues | 979.79 | 1019.54 |
| Provision for Cash Discount | 72.08 | 61.18 |
| Amount Payable to Capital Goods Vendors | 395.56 | 194.42 |
| | **3752.74** | **2553.65** |

## 28 Provisions (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Provision for employee benefits | | |
| Net defined benefit liability- Gratuity (Refer Note No. 34.1.(iii)) | 175.79 | 142.23 |
| Liability for compensated absences (Refer Note No. 34.2) | 148.44 | 158.24 |
| | **324.23** | **300.47** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 29 Revenue from Operations

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Sale of Products | 181513.33 | 151924.11 |
| | **181513.33** | **151924.11** |
| **Other Operating Revenue** | | |
| | | |
| Export Incentive Received | 3221.30 | 3749.60 |
| Miscellaneous Income | 372.17 | 244.84 |
| | **3593.47** | **3994.44** |
| **Total** | **185106.81** | **155918.55** |

### 29.1 Major Products summary

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Decorative Laminates | 161017.82 | 135060.70 |
| [including exports ₹73031.09 Lakhs (Previous year ₹64575.95 Lakhs)] | | |
| Decorative Veneers | 10643.19 | 8320.03 |
| [including exports ₹118.54 Lakhs (Previous year ₹142.52 Lakhs)] | | |
| Engineered Wood Flooring | 4135.01 | 3479.73 |
| [including exports ₹350.02 Lakhs (Previous year ₹625.46 Lakhs)] | | |
| Melamine Faced Chipboards | 1927.12 | 1322.79 |
| Engineered Door Sets & Door Leaf | 2204.85 | 2402.58 |
| [including exports ₹4.88 Lakhs (Previous year ₹695.05 Lakhs)] | | |
| Others | 1585.34 | 1338.31 |
| [including exports ₹0.53 Lakhs (Previous year ₹ Nil Lakhs)] | | |
| | **181513.33** | **151924.11** |

## 30 Other Income

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Interest Income | 879.18 | 186.25 |
| Liabilities no longer required written back * | 186.01 | 114.58 |
| Gain on Sale of Property Plant & Equipment | 17.56 | 0.00 |
| Corporate Guarantee Commission | 33.68 | 46.77 |
| Other Income | 413.15 | 144.82 |
| Notional Income on Corporate Guarantee | 94.50 | - |
| Profit on redemption of Current investments (Net)** | 466.72 | 157.53 |
| Dividend Received | 1508.80 | 1096.74 |
| **Total** | **3599.60** | **1746.69** |

* This includes write back of entry tax provision of ₹100.77 lakhs due to favorable judgement

**includes unrealized gain of ₹6.29 Lakhs (Previous Year: ₹32.14 Lakhs)

## 31 Cost of Raw Material Consumed

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Inventory of raw material at the beginning of the year | 27000.87 | 18437.59 |
| Add: Purchase | 103190.98 | 100667.55 |
| Less: Inventory of raw material at the end of year | 26971.24 | 27000.87 |
| **Total** | **103220.61** | **92104.27** |

## 32 Purchase of stock in trade

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Purchase of Traded Goods | 506.26 | 414.01 |
| | **506.26** | **414.01** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 33 Change in inventory of finished goods, Stock in process and stock in trade

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **Opening Stock** | | |
| Finished Goods | 10821.58 | 7398.70 |
| Stock in Trade | 96.83 | 108.43 |
| Stock in process | 4422.87 | 5507.33 |
| | **15341.28** | **13014.46** |
| **Closing Stock** | | |
| Finished Goods | 11595.90 | 10821.58 |
| Stock in Trade | 92.94 | 96.83 |
| Stock in process | 4159.21 | 4422.87 |
| | **15848.05** | **15341.28** |
| | **(506.77)** | **(2326.82)** |

## 34 Employee benefit expense

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Salary, Wages and Bonus | 23597.77 | 19574.74 |
| Contribution to Provident Fund & Other Funds | 976.36 | 871.41 |
| Employees' Welfare Expenses | 712.08 | 407.91 |
| | **25286.21** | **20854.06** |

### 34.1 Disclosure regarding employee benefits

i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable 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 | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| a) | **Defined Benefit Cost** | | |
| | Current Service Cost | 240.04 | 212.42 |
| | Interest Expense on Defined Benefit Obligation (DBO) | 142.09 | 119.66 |
| | Defined Benefit Cost included in Profit and Loss | **382.13** | **332.08** |
| | Remeasurements - Due to Financial Assumptions | (42.28) | (84.20) |
| | Remeasurements - Due to Experience Adjustments | 70.67 | 47.36 |
| | Defined Benefit Cost included in Other Comprehensive Income | **28.39** | **(36.84)** |
| | Total Defined Benefit Cost in Profit and Loss and OCI | **410.52** | **295.24** |
| b) | **Movement in Defined benefit liability:** | | |
| | Opening Defined Benefit Obligation | 377.34 | 419.70 |
| | Interest Expense on Defined Benefit Obligation (DBO) (Net) | 27.09 | 28.50 |
| | Current Service Cost | 240.04 | 212.42 |
| | Total Remeasurements included in OCI | 38.40 | (31.37) |
| | Less: Contribution paid to Gratuity Trusts | (380.20) | (250.00) |
| | Less: Benefits paid | - | (1.91) |
| | Closing benefit obligation | **302.67** | **377.34** |
| | Current Liabilities of Closing benefit obligation | 175.79 | 142.23 |
| | Non-Current Liabilities of Closing benefit obligation | 126.88 | 235.11 |
| | | **302.67** | **377.34** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

| iii) | Actuarial Valuation of Gratuity Liability | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| c) | **Change in Plan Assets:** | | |
| | Fair Value of Plan Assets at the beginning of the year | 1601.64 | 1342.62 |
| | Actual return on plan assets | 105.03 | 85.70 |
| | Fund Charges | (0.05) | (0.03) |
| | Employer contribution | 380.20 | 250.00 |
| | Benefit paid | (111.45) | (76.68) |
| | Fair Value of Plan Assets at the end of the year | **1975.37** | **1601.64** |
| d) | **Sensitivity Analysis:** | | |
| | Under Base Scenario | | |
| | Salary Escalation - Increase by 0.50% | 123.99 | 109.95 |
| | Salary Escalation - Decrease by 0.50% | (122.35) | (105.79) |
| | Discount Rates - Increase by 0.50% | (112.85) | (103.76) |
| | Discount Rates - Decrease by 0.50% | 122.35 | 108.67 |
| e) | **Actuarial assumptions:** | | |
| | Mortality Table | IALM 2012-2014 | IALM 2012-2014 |
| | Discount Rate (per annum) | 7.36% | 7.18% |
| | 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% |

**34.2 Disclosure regarding employee benefits** ₹ in Lakhs

| Actuarial Valuation of Leave Encashment Liability: | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **(a) Defined Benefit Cost** | | |
| Current Service Cost | 152.08 | 125.96 |
| Interest Expense on Defined Benefit Obligation (DBO) | 52.23 | 48.00 |
| Defined Benefit Cost included in Profit and Loss | **204.31** | **173.96** |
| Remeasurements - Due to Financial Assumptions | (16.00) | (30.61) |
| Remeasurements - Due to Experience Adjustments | 136.22 | 104.91 |
| **Defined Benefit Cost included in Other Comprehensive Income** | **120.22** | **74.30** |
| **Total Defined Benefit Cost in Profit and Loss and OCI** | **324.53** | **248.26** |
| **(b) Movement in Defined benefit liability:** | | |
| Opening Defined Benefit Obligation | 727.44 | 706.94 |
| Interest Expense on Defined Benefit Obligation (DBO) | 52.23 | 48.00 |
| Current Service Cost | 152.08 | 125.96 |
| Total Remeasurements included in OCI | 120.23 | 74.30 |
| Less: Benefits paid | (230.44) | (227.76) |
| **Closing benefit obligation** | **821.54** | **727.44** |
| Current Liabilities of Closing benefit obligation | 148.44 | 158.24 |
| Non-Current Liabilities of Closing benefit obligation | 673.10 | 569.20 |
| | **821.54** | **727.44** |
| **(c) Sensitivity Analysis:** | | |
| Under Base Scenario | | |
| Salary Escalation - Increase by 0.50% | 42.79 | 42.86 |
| Salary Escalation - Decrease by 0.50% | (46.34) | (39.42) |
| Discount Rates - Increase by 0.50% | (45.44) | (38.79) |
| Discount Rates - Decrease by 0.50% | 42.17 | 42.53 |
| **(d) Actuarial assumptions:** | | |
| Mortality Table | IALM 2012-2014 | IALM 2012-2014 |
| Discount Rate (per annum) | 7.36% | 7.18% |
| 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% |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| Actuarial Valuation of Leave Encashment Liability: | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |
| Leave Availment Rate | 4.00% | 4.00% |

**34.3** Amount incurred as expense for defined contribution to Provident Fund is ₹814.06 lakhs (Previous Year ₹715.91 lakhs).

## 35 Finance Cost

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Interest Expense | 1901.16 | 946.99 |
| Interest on lease liability | 384.13 | 397.17 |
| Other Borrowing Cost* | 6.13 | 3.59 |
| | **2291.42** | **1347.75** |

* Borrowing Cost capitalized during the year ₹ Nil (Previous year ₹ Nil)

## 36 Depreciation & Amortisation Expense

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Depreciation of Property, Plant & Equipment | 4558.14 | 4217.63 |
| Depreciation (Right to Use) | 995.19 | 963.56 |
| Amortisation of Intangible Assets | 293.00 | 249.47 |
| | **5846.33** | **5430.66** |

## 37 Other Expenses

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Consumption of stores and spares | 1259.70 | 1250.45 |
| Power & Fuel | 7385.06 | 5392.81 |
| Legal & Professional Fees | 1604.81 | 1248.38 |
| Repairs & Maintenance | 1406.76 | 1194.38 |
| Rent | 72.55 | 31.38 |
| Repairs to buildings | 193.67 | 169.46 |
| Repairs to machinery | 744.15 | 769.09 |
| Insurance | 329.09 | 291.97 |
| Rates and taxes | 44.84 | 122.50 |
| Travelling expenses | 2230.23 | 1391.08 |
| Freight & delivery expenses | 3896.39 | 3224.98 |
| Export Expenses | 6143.30 | 6247.37 |
| Advertisement & Sales promotion | 9111.79 | 5089.12 |
| Auditors' Remuneration (Refer note below 37.1) | 37.58 | 38.09 |
| Secretarial Auditor's Remuneration | 4.00 | 3.00 |
| Expenditure on CSR Activities (Refer note below 37.2) | 203.00 | 201.02 |
| Bad Debts | 27.81 | 28.13 |
| Provision for Expected Credit Loss | 145.52 | - |
| Loss on Sale / Discard of Property Plant & Equipment | - | 10.81 |
| Directors' Sitting Fees | 39.10 | 38.90 |
| Independent Directors' Commission | 78.58 | 83.44 |
| Other General Expenses | 2055.33 | 1794.49 |
| | **37013.26** | **28620.85** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**37.1 Auditor Remuneration** ₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Statutory Audit fee | 31.50 | 31.50 |
| For Certification and Other Services | 6.08 | 6.59 |
| | **37.58** | **38.09** |

Note: Fees are exclusive of Goods & Services Tax

**37.2 Detail of Expenditure on Corporate social responsibilities activities** ₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| (a) Gross Amount required to be spent by the Company during the year | 203.47 | 191.48 |
| (b) Amount of Expenditure incurred | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | | |
| - Contribution towards Woman and Child Health Care | 51.51 | 50.86 |
| - Contribution towards Education of Orphan Girl Child | 28.50 | 22.82 |
| - Contribution towards Promotion of Education, Health and Livelihood | 59.99 | 60.44 |
| - Others | 63.00 | 66.90 |
| | **203.00** | **201.02** |
| c) Shortfall at the end of the year out of the amount required to be spent during the year* | 0.47 | - |
| d) Total of previous years shortfall | - | - |

* This short fall has been set off against excess spent in FY 21-22.

## 38 Taxation

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **Tax Expense recognised in the Statement of Profit and Loss:** | | |
| Current Tax Expense | 3582.52 | 2701.02 |
| **Income Tax Expense** | **3582.52** | **2701.02** |
| Earlier Years Tax Expense | (637.86) | 68.72 |
| **Income Tax Expense including Earlier year tax** | **2944.66** | **2769.74** |
| Deferred Tax | (183.64) | (344.75) |
| **Total Tax Expense in Statement of Profit and Loss** | **2761.02** | **2424.99** |
| **Reconciliation of Tax Expense recognised in the Statement of Profit and Loss:** | | |
| Profit before Tax as per Statement of Profit and Loss | 15049.08 | 10961.50 |
| Re-measurement gain/(loss) on defined benefit plans in OCI | (38.40) | 31.37 |
| Changes in Profit before tax due to Ind AS Transition | **-** | **-** |
| **Accounting Profit before Tax** | **15010.68** | **10992.87** |
| Applicable Income Tax rate | 25.17% | 25.17% |
| **Computed Tax expense** | **3777.89** | **2766.68** |
| Additional deductions under Chapter VIA | (380.49) | (276.03) |
| Charity, Donation and CSR Expenses | 51.09 | 50.59 |
| Property, plant and equipment and intangible assets | 359.72 | 391.91 |
| Others | (225.69) | (420.33) |
| Earlier Years Tax Expense | (637.86) | 68.72 |
| Tax on Dividend Paid at Special Rate | - | 188.20 |
| **Reconciliation of Deferred Tax Liability:** | | |
| Temporary difference on account of: | | |
| Property, plant and equipment and intangible assets | (132.32) | (216.52) |
| Other temporary differences | (60.98) | (120.34) |
| **Deferred tax in Statement of Profit and Loss** | **(193.30)** | **(336.86)** |
| Temporary difference of liabilities in other comprehensive income | 9.66 | (7.90) |
| **Deferred tax in Total Comprehensive Income** | **(183.64)** | **(344.75)** |
| **Income Tax charged to Statement of Profit and Loss (A)** | **2761.02** | **2424.99** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 39 Earning per share

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **Calculation of weighted average number of equity shares of ₹1 each** | | |
| No of Shares at the beginning of the year | 120681870 | 120681870 |
| Total number of equity shares outstanding at the end of the year (After Share Split) | 126992550 | 120681870 |
| Weighted average number of equity shares outstanding during the year (After Share Split) | 125073412 | 120681870 |
| Net Profit (after tax, available for equity shareholders) ₹ in Lakhs | 12288.06 | 8536.50 |
| Basic and Diluted Earnings per Share ₹ | 9.82 | 7.07 |

## 40 Contingent liabilities & Commitments

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| (to the extent not provided for) | | |
| **Contingent liabilities** | | |
| (a) Claims against the company not acknowledge as debt: | | |
| (i) Indirect tax cases in dispute | 18.56 | 199.97 |
| (ii) Direct tax cases in dispute | 1806.69 | 1109.50 |
| (iii) Other Cases | 23.64 | 23.64 |

Notes:

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/ authorities. The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company doesn't expect the outcome of these proceedings to have a materially adverse effect on its financial position.

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **(b) Others:** | | |
| a) Letters of Credit established but Goods not received | 1663.81 | 3331.89 |
| **b) Corporate Guarantee Given** | | |
| Greenlam Asia Pacific Pte Ltd - USD 30 Lakhs (Previous Year USD 30 Lakhs) | 2465.18 | 2273.40 |
| Greenlam Europe (UK) Ltd -GBP 10 Lakhs (Previous Year -GBP 10 Lakhs) | 1013.27 | 995.22 |
| Greenlam South Ltd ₹84500 Lakhs (Previous Year - Nil) | 84500.00 | - |
| HG Industries Ltd ₹10000 Lakhs (Previous Year- Nil) | 10000.00 | - |
| | **97978.44** | **3268.62** |

### 40.1 Commitments

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| a. Estimated pending Capital contract (Net of Advance) | 1214.01 | 403.48 |

## 41. 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, 2023

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**Information about Business Segments - Primary**

₹ in Lakhs

| Reportable Segment | Laminates & Allied Products | | Veneers & Allied Products | | Un allocated | | Total | |
|---|---|---|---|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| **REVENUE** | | | | | | | | |
| External Sales | 164427.60 | 137641.14 | 17085.73 | 14282.97 | - | - | 181513.33 | 151924.11 |
| Inter-segment Sales | - | - | - | - | - | - | - | - |
| **Gross Sales** | **164427.60** | **137641.14** | **17085.73** | **14282.97** | **-** | **-** | **181513.33** | **151924.11** |
| Other Operating Income | 3345.12 | 3811.85 | 248.35 | 182.59 | - | - | 3593.47 | 3994.44 |
| **Revenue from Operation** | **167772.72** | **141452.99** | **17334.08** | **14465.56** | **-** | **-** | **185106.81** | **155918.55** |
| **RESULT** | | | | | | | | |
| Segment Result | 27049.83 | 21226.37 | (939.00) | (923.98) | - | - | **26110.83** | **20302.39** |
| Unallocated Corporate Expenses | | | | | 9649.51 | 7920.43 | **9649.51** | **7920.43** |
| **Operating Profit** | | | | | | | **16461.32** | **12381.96** |
| Less : Interest Expense | | | | | 2291.42 | 1347.75 | 2291.42 | 1347.75 |
| Add : Interest Income | | | | | 879.18 | 186.25 | **879.18** | **186.25** |
| **Profit before Tax** | | | | | | | **15049.08** | **11220.46** |
| **Exceptional Item** | | | | | | | - | 258.96 |
| Current Tax including Earlier Year Tax | | | | | | | 2944.66 | 2769.74 |
| Deferred Tax | | | | | | | (183.64) | (344.75) |
| **Profit after Tax** | | | | | | | **12288.06** | **8536.50** |
| Other Comprehensive Income | | | | | | | (28.74) | 23.47 |
| **Total Comprehensive Income for the year, net of Tax** | | | | | | | **12259.32** | **8559.97** |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 78464.21 | 71899.61 | 23231.17 | 21740.55 | 63537.35 | 37281.62 | 165232.73 | 130921.78 |
| Segment Liabilities | 31003.46 | 28048.43 | 2807.01 | 2352.85 | 4071.66 | 3878.28 | 37882.13 | 34279.56 |
| Loan Fund | | | | | 32893.66 | 32303.16 | 32893.66 | 32303.16 |
| Deferred Tax Liabilities (Net) | | | | | 952.50 | 1145.78 | 952.50 | 1145.78 |
| Shareholders' Funds | | | | | 93504.44 | 63193.28 | 93504.43 | 63193.28 |
| Total Liabilities | | | | | | | **165232.73** | **130921.78** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**Secondary Segment - Geographical by location of customers**

₹ in Lakhs

| Reportable Segment | Revenue | | Carrying Amount of Segment Assets | | Additions to Property Plant & Equipment | |
|---|---|---|---|---|---|---|
| | Year Ended 31.03.2023 | Year Ended 31.03.2022 | Year Ended 31.03.2023 | Year Ended 31.03.2022 | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
| Within India | 108008.27 | 85885.13 | 165232.73 | 130921.78 | 11356.57 | 2655.79 |
| Outside India | 73505.06 | 66038.98 | - | - | - | - |
| | **181513.33** | **151924.11** | **165232.73** | **130921.78** | **11356.57** | **2655.79** |

**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).

## 42 Related party disclosure, as required by Indian Accounting Standard-24, is as below:

**42.1 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) HG Industries Ltd (Acquired on 3rd Dec, 2021 by Greenlam Industries Ltd)
v) Greenlam Europe (UK) Ltd.
vi) Greenlam Decolan SA
vii) Greenlam Asia Pacific (Thailand) Co. Ltd.
viii) Greenlam Holding Co. Ltd.
ix) Pt. Greenlam Asia Pacific
x) Pt. Greenlam Indo Pacific
xi) Greenlam RUS LLC
xii) Greenlam Poland SP Z.O.O

**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 (Cessation 10th August, 2022)
v) Ms. Matangi Gowrishanker, Independent Director
v) Mr. Yogesh Kapur (Appointed as Independent Director on 12th August, 2021)
vii) Mr. Sandip Das, Independent Director
viii) Mr. Ashok Kumar Sharma, Chief Financial Officer
ix) Mr. Prakash Kumar Biswal, Company Secretary

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**Enterprise over which key managerial personnel is having significant influence**

i) HG Industries Ltd. (formerly known as 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 Industries Employees Gratuity Trust
vi) SM Safeinvest Private Ltd.

**42.2Transactions during the year:**

₹ in Lakhs

| Particulars | Subsidiaries | | Key Managerial Personnel | | Enterprise over which key managerial personnel is having significant influence | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Sale of Products** | | | | | | |
| Greenply Industries Ltd. | - | - | - | - | 10.70 | 50.10 |
| Greenpanel Industries Ltd. | - | - | - | - | - | 19.21 |
| Greenlam Asia Pacific Pte. Ltd. | 14972.35 | 13420.65 | - | - | - | - |
| Greenlam America, Inc. | 9601.68 | 9582.79 | - | - | - | - |
| Greenlam Europe (UK) Ltd. | 8309.23 | 6945.75 | - | - | - | - |
| Greenlam Decolan SA | 11220.23 | 9260.28 | - | - | - | - |
| Seema Realcon Pvt Ltd | - | - | - | - | 10155.24 | 7907.82 |
| Greenlam South Ltd | - | 0.08 | - | - | - | - |
| **Total** | **44103.49** | **39209.55** | **-** | **-** | **10165.94** | **7977.13** |
| **Sale of Assets (including Freight and GST)** | | | | | | |
| Seema Realcon Pvt Ltd | - | - | - | - | 0.30 | - |
| | **-** | **-** | **-** | **-** | **0.30** | **-** |
| **Purchase of Products** | | | | | | |
| Greenpanel Industries Ltd | - | - | - | - | 1055.58 | 1067.18 |
| Seema Realcon Pvt Ltd | - | - | - | - | 6.56 | 3.17 |
| | **-** | **-** | **-** | **-** | **1062.14** | **1070.35** |
| **Commission (ORC Charges) and Reimbursement of Expenses** | | | | | | |
| Seema Realcon Pvt Ltd | - | - | - | - | 16.37 | 42.26 |
| Greenlam Employees Gratuity Trust | | | | | 0.39 | 0.28 |
| Greenlam RUS LLC | 206.09 | 175.31 | - | - | - | - |
| Greenlam Poland SP ZOO | 153.70 | 115.71 | - | - | - | - |
| | **359.79** | **291.02** | **-** | **-** | **16.76** | **42.54** |
| **Dividend Received** | | | | | | |
| Greenlam Asia Pacific Pte. Ltd. | 1054.08 | 315.17 | | - | | - |
| Greenlam America, Inc. | 454.72 | 781.57 | | - | | - |
| **Total** | **1508.80** | **1096.74** | | **-** | | **-** |
| **Investment (Equity Shares)** | | | | | | |
| Greenlam South Ltd | - | 1069.55 | | - | | - |
| Greenlam Poland SP ZOO | - | 0.19 | - | - | - | - |
| | **-** | **1069.74** | **-** | **-** | **-** | **-** |
| **Acquisition of Shares *** | | | | | | |
| Mr. Saurabh Mittal | - | - | - | 1359.22 | - | - |
| Mrs. Parul Mittal | - | - | - | 22.54 | - | - |
| Mr Shiv Prakash Mittal | - | - | - | 10.03 | - | - |
| SM Safeinvestment Private Limited | - | - | - | - | - | 0.08 |
| | **-** | **-** | **-** | **1391.79** | **-** | **0.08** |
| * HG Industries Ltd | | | | | | |
| **Recovery of Expenses** | | | | | | |
| Greenlam South Ltd | 60.21 | 1.49 | - | - | - | - |
| HG Indsutries Ltd | 20.35 | 0.49 | - | - | - | - |
| | **80.56** | **1.98** | **-** | **-** | **-** | **-** |
| **Investment (OCPS)** | | | | | | |
| Greenlam South Ltd | 15417.37 | 3529.19 | - | - | - | - |
| | **15417.37** | **3529.19** | **-** | **-** | **-** | **-** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| Particulars | Subsidiaries | | Key Managerial Personnel | | Enterprise over which key managerial personnel is having significant influence | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Loan Given** | | | | | | |
| Greenlam South Ltd | 30.00 | 3376.00 | - | - | - | - |
| HG Industries Ltd | 3650.00 | 35.00 | - | - | - | - |
| | **3680.00** | **3411.00** | **-** | **-** | **-** | **-** |
| **Interest Received (Gross)** | | | | | | |
| Greenlam South Ltd | 0.02 | 29.41 | - | - | - | - |
| HG Industries Ltd | 142.37 | 0.22 | - | - | - | - |
| | **142.39** | **29.63** | **-** | **-** | **-** | **-** |
| **O/s Loan Square off** | | | | | | |
| Greenlam South Ltd | 30.02 | 3430.69 | - | - | - | - |
| HG Industries Ltd | - | 35.22 | - | - | - | - |
| | **30.02** | **3465.91** | **-** | **-** | **-** | **-** |
| **Corporate Guarantee Given** | | | | | | |
| Greenlam South Ltd | 84500.00 | - | - | - | - | - |
| HG Industries Ltd | 10000.00 | - | - | - | - | - |
| | **94500.00** | **-** | **-** | **-** | **-** | **-** |
| **Guarantee Commission Received** | | | | | | |
| Greenlam Asia Pacific Pte. Ltd. | 24.11 | 36.63 | | - | | - |
| Greenlam Europe (UK) Ltd. | 9.57 | 10.14 | | - | | - |
| **Total** | **33.68** | **46.77** | | **-** | | **-** |
| **Notional Guarantee Commission** | | | | | | |
| Greenlam South Ltd | 99.71 | - | - | - | - | - |
| HG Industries Ltd | 11.80 | - | - | - | - | - |
| | **111.51** | **-** | **-** | **-** | **-** | **-** |
| **Rent Paid** | | | | | | |
| HG Industries Ltd. | - | - | - | - | - | 35.70 |
| Greenpanel Industries Ltd. | - | - | - | - | - | 0.25 |
| **Total** | **-** | **-** | **-** | **-** | **-** | **35.95** |
| **Contribution to Trust** | | | | | | |
| Greenlam Employees Gratuity Trust | | - | | - | 380.00 | 250.00 |
| **Total** | **-** | **-** | | **-** | **380.00** | **250.00** |
| **Remuneration** | | | | | | |
| Mr. Saurabh Mittal | - | - | 819.48 | 598.48 | - | - |
| Mrs. Parul Mittal | - | - | 443.40 | 359.90 | - | - |
| Mr. Shiv Prakash Mittal# | - | - | 24.20 | 24.50 | - | - |
| Mr. Vijay Kumar Chopra# | - | - | 11.28 | 26.20 | - | - |
| Mr. Sandip Das# | - | - | 28.70 | 28.10 | - | - |
| Ms. Matangi Gowrishanker# | - | - | 26.40 | 27.20 | - | - |
| Mr. Yogesh Kapur# | - | - | 27.10 | 16.34 | - | - |
| Mr. Ashok Kumar Sharma | - | - | 141.52 | 128.64 | - | - |
| Mr. Prakash Kumar Biswal | - | - | 62.51 | 52.98 | - | - |
| **Total** | - | - | 1584.59 | 1262.34 | | - |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| Particulars | Subsidiaries | | Key Managerial Personnel | | Enterprise over which key managerial personnel is having significant influence | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Amount outstanding as at Balance Sheet date** | | | | | | |
| Trade Receivable | | | | | | |
| Greenlam Asia Pacific Pte. Ltd. | 142.65 | 315.07 | - | - | - | - |
| Greenlam America, Inc. | 92.64 | 652.08 | - | - | - | - |
| Greenlam Europe (UK) Ltd. | 184.32 | 1086.94 | - | - | - | - |
| Greenlam Decolan SA | 3545.61 | 3586.76 | - | - | - | - |
| Greenply Industries Ltd. | - | - | - | - | 2.80 | 3.91 |
| Greenpanel Industries Ltd. | - | - | - | - | - | 1.29 |
| Seema Realcon Pvt Ltd | - | - | - | - | 115.57 | 59.79 |
| | **3965.22** | **5640.85** | **-** | **-** | **118.37** | **64.99** |
| **Other Receivable** | | | | | | |
| Greenlam South Ltd | 159.92 | - | - | - | - | - |
| HG Industries Ltd | 28.48 | - | - | - | - | - |
| | **188.40** | **-** | **-** | **-** | **-** | **-** |
| **Loan Receivable (Including Interest)** | | | | | | |
| HG Industries Ltd | 3778.13 | - | - | - | - | - |
| | **3778.13** | **-** | **-** | **-** | **-** | **-** |
| **Reimbursement Payable** | | | | | | |
| Greenlam Employees Gratuity Trust | - | - | - | - | 0.39 | 0.28 |
| | **-** | **-** | **-** | **-** | **0.39** | **0.28** |
| **Trade Payable** | | | | | | |
| Greenpanel Industries Ltd. | - | - | - | - | - | 7.46 |
| Seema Realcon Pvt Ltd | - | - | - | - | 10.00 | - |
| Greenlam Poland SP ZOO | - | - | - | - | 38.22 | - |
| **Total** | **-** | **-** | **-** | **-** | **48.22** | **7.46** |
| **Remuneration Payable** | | | | | | |
| Mr. Saurabh Mittal | - | - | 555.00 | 334.00 | - | - |
| Mrs. Parul Mittal | - | - | 309.00 | 225.50 | - | - |
| Mr. Shiv Prakash Mittal | - | - | 18.00 | 18.00 | - | - |
| Mr. Vijay Kumar Chopra | - | - | 6.58 | 18.00 | - | - |
| Mr. Sandip Das | - | - | 18.00 | 18.00 | - | - |
| Ms. Matangi Gowrishanker | - | - | 18.00 | 18.00 | - | - |
| Mr. Yogesh Kapur | - | - | 18.00 | 11.44 | - | - |
| **Total** | **-** | **-** | **942.58** | **642.94** | **-** | **-** |

# Including Sitting Fees & Commission

**42.3** 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)

**Terms and conditions of transactions with related parties**

Purchases 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 Company 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 from foreign subsidiaries have been recovered at arm length price as per safe harbour rules of Income Tax Act.

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 43 Particulars of loans, guarantee or investments made by the Company

**Details of loan:**

| Sl No. | Date of Loan/ investment | Date of Special Resolution (if any) | Name of Borrower | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (₹ in Lakhs) | Rate of interest as on 31/3/2023 | Security | Remarks |
|---|---|---|---|---|---|---|---|---|
| 1 | 31/07/22 | | HG Industries Ltd | Business Purpose | 1135.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 2 | 22/08/22 | | HG Industries Ltd | Business Purpose | 150.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 3 | 23/08/22 | | HG Industries Ltd | Business Purpose | 290.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 4 | 22/09/22 | | HG Industries Ltd | Business Purpose | 25.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 5 | 30/09/22 | | HG Industries Ltd | Business Purpose | 15.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 6 | 06/10/22 | | HG Industries Ltd | Business Purpose | 15.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 7 | 29/10/22 | | HG Industries Ltd | Business Purpose | 25.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 8 | 31/10/22 | | HG Industries Ltd | Business Purpose | 10.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 9 | 03/11/22 | | HG Industries Ltd | Business Purpose | 60.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 10 | 08/11/22 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 11 | 28/11/22 | | HG Industries Ltd | Business Purpose | 40.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 12 | 01/12/22 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 13 | 05/12/22 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 14 | 27/12/22 | | HG Industries Ltd | Business Purpose | 310.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 15 | 28/12/22 | | HG Industries Ltd | Business Purpose | 425.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 16 | 31/12/22 | | HG Industries Ltd | Business Purpose | 50.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 17 | 02/01/23 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 18 | 06/01/23 | | HG Industries Ltd | Business Purpose | 75.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 19 | 10/01/23 | | HG Industries Ltd | Business Purpose | 25.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 20 | 13/01/23 | | HG Industries Ltd | Business Purpose | 160.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 21 | 16/01/23 | | HG Industries Ltd | Business Purpose | 250.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 22 | 20/01/23 | | HG Industries Ltd | Business Purpose | 50.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 23 | 25/01/23 | | HG Industries Ltd | Business Purpose | 10.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 24 | 31/01/23 | | HG Industries Ltd | Business Purpose | 70.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 25 | 06/02/23 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 26 | 16/02/23 | | HG Industries Ltd | Business Purpose | 15.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 27 | 21/02/23 | | HG Industries Ltd | Business Purpose | 15.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 28 | 28/02/23 | | HG Industries Ltd | Business Purpose | 60.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

| Sl No. | Date of Loan/ investment | Date of Special Resolution (if any) | Name of Borrower | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (₹ in Lakhs) | Rate of interest as on 31/3/2023 | Security | Remarks |
|---|---|---|---|---|---|---|---|---|
| 29 | 06/03/23 | | HG Industries Ltd | Business Purpose | 60.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 30 | 10/03/23 | | HG Industries Ltd | Business Purpose | 40.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 31 | 23/03/23 | | HG Industries Ltd | Business Purpose | 30.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 32 | 24/03/23 | | HG Industries Ltd | Business Purpose | 40.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 33 | 29/03/23 | | HG Industries Ltd | Business Purpose | 20.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 34 | 31/03/23 | | HG Industries Ltd | Business Purpose | 80.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is ₹3650 Lakhs |
| 35 | 25/04/22 | | Greenlam South Ltd | Business Purpose | 5.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is Nil |
| 36 | 04/11/22 | | Greenlam South Ltd | Business Purpose | 25.00 | 9.00% | Unsecured | Balance O/s as on 31/3/2023 is Nil |

**(II) Details of Investments**

| Sl No. | Date of investment | Date of Board Resolution* | Name of investee | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount ( ₹ in Lakhs) | Remarks |
|---|---|---|---|---|---|---|
| 1 | 05/05/22 | 21.04.2022 | Greenlam South Ltd | Business Purpose | 1,534.23 | 568307 equity shares issued at ₹270/-. |
| 2 | 20/07/22 | 23.06.2022 | Greenlam South Ltd | Business Purpose | 1,826.70 | 405934 equity shares issued at ₹450/-. |
| 3 | 31/08/22 | 23.06.2022 | Greenlam South Ltd | Business Purpose | 2,192.04 | 487121 equity shares issued at ₹450/-. |
| 4 | 07/10/22 | 23.06.2022 | Greenlam South Ltd | Business Purpose | 328.81 | 73068 equity shares issued at ₹450/-. |
| 5 | 01/02/23 | 23.06.2022 | Greenlam South Ltd | Business Purpose | 4,018.74 | 893054 equity shares issued at ₹450/-. |
| 6 | 25/03/23 | 23.06.2022 | Greenlam South Ltd | Business Purpose | 5,516.64 | 1225921 equity shares issued at ₹450/-. |

*Resolution passed by Operational & Finance Committee of Board of Directors of the Company

**(III) Details of Guarantee / security provided**

| Sl No. | Date of investment | Date of Board Resolution | Date of Special Resolution (if any) | Name of investee | Purpose for which the proceeds from investment is proposed to be utilized by the recipient | Amount (Foreign Currency in Lakhs) | Amount (₹ in Lakhs) | Expected rate of return |
|---|---|---|---|---|---|---|---|---|
| 1 | 03.03.2022 | 08.02.2022 | Not applicable | Greenlam Asia Pacific Pte Ltd | For business requirements | USD 30 | 2465.18 | Not applicable |
| 2 | 21.03.2022 | 08.02.2022 | Not applicable | Greenlam Europe UK Ltd | For business requirements | GBP 10^ | 1013.27 | Not applicable |
| 3 | 12.04.2022 | 12.04.2022 | Not applicable | Greenlam South Limited | For business requirements | - | 22500.00 | Not applicable |
| 4 | 12.07.2022 | 23.06.2022* | Not applicable | HG Industries Limited | For business requirements | - | 10000.00 | Not applicable |
| 5 | 19.09.2022 | 02.09.2022* | Not applicable | Greenlam South Limited | For business requirements | - | 7000.00 | Not applicable |
| 6 | 01.10.2022 | 02.09.2022* | Not applicable | Greenlam South Limited | For business requirements | - | 9000.00 | Not applicable |
| 7 | 01.10.2022 | 02.09.2022* | Not applicable | Greenlam South Limited | For business requirements | EUR 254.95 | 20500.00 | Not applicable |
| 8 | 14.12.2022 | 13.12.2022* | Not applicable | Greenlam South Limited | For business requirements | - | 9000.00 | Not applicable |
| 9 | 28.03.2023 | 22.12.2022* | Not applicable | Greenlam South Limited | For business requirements | - | 16500.00 | Not applicable |
| 10 | 24.03.2023 | 22.12.2022* | Not applicable | Greenlam Europe UK Ltd | For business requirements | GBP 5^^ | 506.63 | Not applicable |

# Represents amount as on the year end rate

* Resolution passed by Operational & Finance Committee of Board of Directors of the Company

^ Corporate Guarantee valid till 31st March, 2023

^^ Corporate Guarantee valid from 1st April, 2023

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 44 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.

### 44.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a loans and borrowings will fluctuate because of change of market interest rate.

**Fixed and Variable interest on Borrowings sensitivity analyses.** ₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Fixed Rate Instruments | | |
| Financial Liability * (NCD) | 770.22 | 67.53 |
| Variable Rate Instruments | | |
| Financial Liability | 1130.94 | 879.46 |
| | **1901.16** | **946.99** |

* Refer Note No 18.3

**Interest Rate Sensitivity**

The Following table demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

| Particulars | Impact on profit & Loss 31 March 2023 | Impact on profit & Loss 31 March 2022 |
|---|---|---|
| Interest Rate Increase by 50 basis point | (164.47) | (112.02) |
| Interest Rate decrease by 50 basis point | 164.47 | 112.02 |

### 44.2 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.

### 44.3 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 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 Lakhs

| Particulars | Currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Foreign Currency | ₹ in Lakhs | Foreign Currency | ₹ in Lakhs |
| Purchase (Hedging of Trade Payables) | EURO | 660309 | 587.74 | 909118 | 762.30 |
| | USD | 1000534 | 822.16 | 694059 | 525.96 |
| | JPY | 16288715 | 100.84 | 22022470 | 137.18 |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| Particulars | Currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Foreign Currency | ₹ in Lakhs | Foreign Currency | ₹ in Lakhs |
| | | | **1510.74** | | **1425.44** |
| Trade Receivables | GBP* | 500000 | 506.63 | 3090618 | 3075.84 |
| | USD | 170362 | 139.99 | 721103 | 546.45 |
| | | | **646.62** | | **3622.29** |

* includes cover on contractual arrangement

**Unhedged Foreign Currency Exposures:**

₹ in Lakhs

| Particulars | Currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | Foreign Currency | ₹ in Lakhs | Foreign Currency | ₹ in Lakhs |
| Trade Payables | EURO | 4949781 | 4405.77 | 5607435 | 4701.87 |
| | USD | 2026033 | 1664.84 | 3639392 | 2757.93 |
| | AED | 102500 | 22.93 | 97805 | 20.18 |
| | SGD | 1700 | 1.05 | 1700 | 0.95 |
| | JPY | 10556043 | 65.35 | 3111278 | 19.38 |
| | PLN | 206498 | 39.32 | 134954 | 24.43 |
| | RUB | - | - | 2091590 | 19.95 |
| | NPR | 494661 | 3.09 | - | - |
| | | | **6202.35** | | **7544.69** |
| | | | | | |
| Trade Receivables | EURO | 4492368 | 3998.63 | 5916906 | 4961.36 |
| | USD | 2099086 | 1724.87 | 2716422 | 2058.50 |
| | GBP | 186717 | 189.19 | 750668 | 747.08 |
| | | | **5912.69** | | **7766.94** |

**44.4Credit 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 categorizes a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

Financial assets where Life time Expected Credit Losses (ECL) is used ₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Trade Receivables | 12771.49 | 12605.05 |
| Less : Expected Credit Loss | 231.35 | 85.83 |
| **Trade Receivables** | **12540.14** | **12519.22** |

**45.5 Liquidity Risk**

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

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.

**March 31, 2023**

₹ in Lakhs

| Particulars | On Demand | Not Due | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total |
|---|---|---|---|---|---|---|
| Non-derivative | | | | | | |
| Trade payables | - | 21047.68 | 4255.52 | 62.14 | - | 25365.34 |
| Borrowings | 17500.00 | - | 2497.47 | 12896.21 | - | 32893.68 |
| Other financial liabilities | | | | | | |
| Interest Accrued but not due on borrowings | - | 68.45 | - | - | - | 68.45 |
| Trade Deposits | - | - | - | - | - | - |
| Lease Liability | - | - | 1268.72 | 3179.97 | 949.86 | 5398.55 |
| Other Financial Liabilities | - | - | 1928.93 | 168.61 | - | 2097.54 |
| | **17500.00** | **21116.13** | **9950.64** | **16306.93** | **949.86** | **65823.56** |

**March 31, 2022**

₹ in Lakhs

| Particulars | On Demand | Not Due | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total |
|---|---|---|---|---|---|---|
| Non-derivative | | | | | | |
| Trade payables | - | 18805.15 | 5258.46 | 106.29 | - | 24169.90 |
| Borrowings | 14412.01 | - | 2497.47 | 15393.68 | - | 32303.16 |
| Other financial liabilities | | | | | | |
| Interest Accrued but not due on borrowings (NCD) | - | 67.99 | - | - | - | 67.99 |
| Trade Deposits | - | - | - | - | - | - |
| Lease Liability | - | - | 1184.29 | 3132.71 | 377.42 | 4694.42 |
| Other Financial Liabilities | - | - | 1502.38 | 124.44 | - | 1626.82 |
| | **14412.01** | **18873.14** | **10442.60** | **18757.12** | **377.42** | **62862.29** |

### 45.6Capital 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 maximize 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 Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Net Debt | 10542.05 | 15793.09 |
| Total Equity (net of intangible assets) | 92401.47 | 62331.86 |
| Gearing Ratio | **0.11** | **0.25** |

## 46 Accounting classifications and fair values.

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loans from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable.

Level 3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

₹ in Lakhs

| **Financial assets at amortised cost- Level 3:** | **31 March 2023** | **31 March 2022** |
|---|---|---|
| Investments | 28467.85 | 13050.48 |
| Loans - Non-current | 3778.13 | - |
| Trade Receivables (Non-Current) | 131.42 | 108.53 |
| Trade Receivables | 12408.72 | 12410.69 |
| Cash and Cash Equivalents | 663.00 | 846.85 |
| Bank Balances other than above | 8.10 | 7.56 |
| Loans - Current | 51.20 | 49.69 |
| Investments (Current) (Bonds) | 17481.70 | - |
| Other Financial Assets (Current) | 73.56 | - |
| Other Financial Assets (Non Current) | 452.09 | - |
| | **63515.78** | **26473.80** |
| **Financial assets at fair value through profit and loss:** | | |
| Derivative - current - Level 2 | - | 73.21 |
| Investments (Current) (Mutual Fund) | 4206.93 | - |
| | **4206.93** | **73.21** |
| **Total Financial Assets** | **67722.71** | **26547.01** |
| **Financial liabilities at amortised cost:** | | |
| Borrowings - Non-current | 12896.21 | 15393.68 |
| Other Financial Liabilities - Non-current | 168.61 | 124.44 |
| Borrowings - Current | 19997.47 | 16909.49 |
| Lease Liability - Current | 4129.83 | 3510.13 |
| Lease Liability - Non-Current | 1268.72 | 1184.29 |
| Trade Payables | 25365.34 | 24169.90 |
| Other Financial Liabilities - Current | 1996.18 | 1570.37 |
| | **65822.36** | **62862.30** |
| **Financial Liabilities at fair value through profit and loss:** | | |
| Derivative - current - Level 2 | 1.20 | - |
| **Total Financial Liabilities** | **65823.56** | **62862.30** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 47 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, 2022 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.

## 48 INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information /documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

₹ in Lakhs

| | | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| i) | Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance). | 1739.06 | 1226.96 |
| ii) | Interest due on above | - | - |
| | Total of (i) & (ii) | 1739.06 | 1226.96 |
| iii) | Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.* | 0.00 | - |
| iv) | Amount paid to the suppliers beyond due date during the year | - | - |
| v) | Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act. | - | - |
| vi) | Amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| vii) | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | - | - |
| viii) | the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

* ₹208/-

## 49 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 Lakhs

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening Balance | 5644.70 | 8156.40 |
| Addition during the year | 1539.00 | 595.65 |
| Termination during the year | 188.54 | 662.69 |
| Depreciation | 806.65 | 2444.66 |
| Closing balances* | 6188.51 | 5644.70 |
| Cash Flow for leases | 813.10 | 724.06 |
| Lease Liabilities | 5398.55 | 4694.42 |

* RTU includes Land RTU of ₹1488.21 Lakhs (Previous Year - ₹1510.19 Lakhs ) and Building RTU of ₹4700.30 Lakhs (Previous Year - ₹4134.51 Lakhs )

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

**b.** Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| 0-1 year | 1268.72 | 1184.29 |
| 1-5 year | 3179.97 | 3132.71 |
| More than 5 year | 949.86 | 377.42 |

**c.** The Company has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹72.55 Lakhs (Previous Year ₹31.38 Lakhs)associated with these lease.

**d.** The Company has recognised Interest expenses of ₹384.12 Lakhs (Previous Year ₹397.16 Lakhs) on Lease Liabilities during the year.

**e.** Lease contracts entered by the Company majorly pertain for Land and office Building taken on lease to conduct its business in the ordinary course of business.

**f.** The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

**g.** The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

## 50 Distribution made and proposed dividend

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2022: | | |
| ₹1.20 per share (on face value of ₹1 each) (31 March 2021: ₹5, on face value of ₹5 each) | 1448.18 | 1206.82 |
| **Total dividend paid** | **1448.18** | **1206.82** |
| **Proposed dividend on Equity shares** | | |
| Final dividend for the year ended on 31 March 2023 | | |
| ₹1.50 (on face value of ₹1 each) (31 March 2022: ₹1.20, on face value of ₹1 each) | 1904.89 | 1448.18 |
| **Total dividend proposed** | **1904.89** | **1448.18** |

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 51 Financial Ratios (As per Schedule _III of Companies Act 2013)

₹ in Lakhs

| Ratios | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % change | Remarks |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 1.61 | 1.66 | -2.53% | |
| Debt- Equity Ratio | Net Debt= Total Debt- Cash & Cash Equivalent | Tangible Networth= Shareholders Equity- Intangible Assets | 0.11 | 0.25 | -54.88% | Equity shares worth ₹19500 Lakhs issued. |
| Debt Service Coverage ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 3.73 | 3.89 | -4.16% | |
| Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity-OCI-Capital Reserves | 19.44% | 19.24% | 1.05% | |
| Inventory Turnover ratio | Average Inventory | Revenue from Operations | 89 | 91 | -2.59% | |
| Trade Receivable Turnover Ratio | Average Receivables | Revenue from Operations | 24 | 31 | -19.96% | |
| Trade Payable Turnover Ratio | Average Trade Payables | Revenue from Operations | 49 | 53 | -8.61% | |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 5.62 | 4.96 | 13.22% | |
| Net Profit ratio | Net Profit | Revenue from Operations | 6.64% | 5.47% | 21.36% | |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt | 15.88% | 15.72% | 1.01% | |
| Return on Investment * | Interest (Finance Income) | Average Current Investments | 6.45% | 2.08% | 210.07% | Lower Tenure of Investment in Previous Year |

* During the year company has received the dividend from its subsidiaries of ₹1508.80, which is not considered while computing the Return on Investment

# Notes to Standalone Financial Statement for the year Ended 31 March, 2023

## 52 Earlier Year Tax

During the year, Company got favorable order from Hon'ble ITAT Guwahati for AY 15-16, which has resulted in tax benefit of ₹674.11 lakhs. Company has claimed education cess paid in AY 2019-2020, due to change in Income Tax Act, company has offered tax of ₹36.25 lakhs for disallowance of said education cess.

These transactions have been disclosed under income tax of earlier years for ₹637.86 lakhs (Net) in Statement of Profit and Loss.

## 53 Other Statutory Information

1 All the borrowings of the company are used for the specific purpose for which it was taken.

2 Quarterly returns or statements of Current assets filed by the company with banks/financial institution are in agreement with books of accounts

3 The company is not a willful defaulter as declared by any bank or financial Institution or any other lender.

4 The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

5 There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

6 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

7 There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

8 The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

54 During the year , Management identified one instance of misappropriation of stock by one employee involving amount of ₹6.67 Lakhs. The company has terminated the service of such employee and initiated legal proceedings.

55 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

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Independent Auditors' Report

To
The Members of
**Greenlam Industries Limited**

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Greenlam Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries/step down subsidiaries (the Holding Company and its subsidiaries/step down subsidiaries as referred in Annexure A below together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2023, 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 report of other auditor on separate financial statements of the subsidiaries/ step down subsidiaries referred to in the other matters below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013, as amended ("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 made thereunder, 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, 2023, of consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Recognition of Revenue (In respect of Holding Company)**<br><br>The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.<br><br>For the year ended March 31, 2023, the Company's Statement of Profit & Loss included Sales of ₹181513.33 Lakhs. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control.<br><br>The nature of rebates, discounts, and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.<br><br>Refer to accounting policies Note I.09 and Note No. 29 of the consolidated Financial Statements. | **Our audit procedure included but not limited to**<br><br>◆ We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade re-ceivables over the accuracy and timing of revenue accounted in the financial statements.<br><br>◆ 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.<br><br>◆ We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.<br><br>◆ We requested and obtained independent balance confirmations from the Company's customers on a sample basis.<br><br>◆ 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.<br><br>◆ In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.<br><br>◆ We validated the appropriateness and completeness of the related disclosures in Note No. 29 of the Consolidated financial statements. |

| | |
|---|---|
| **For -HG INDUSTRIES LIMITED (Formerly Himalaya Granites Limited)**<br><br>Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment (Refer to Note 1 and Note 6 of the consolidated financial statements)<br><br>The Company has spent ₹10116.73 lakhs towards capital work in progress and ₹1354.77 Lakhs towards capital advances till March 31, 2023.<br><br>Given the significance of the capital expenditure during the year, there are risks pertaining to the appropriateness of the capital expenditure and incorrect accumulation of revenue expenditure as<br><br>Capital expenditure in line with the criteria of Ind AS 16 'Property, Plant and Equipment'. | **Our procedures in relation to appropriateness of capitalisation of costs as per Ind AS 16 included the following:**<br><br>◆ Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred in relation to Property Plant and Equipment.<br><br>◆ Performed test of details relating to capital acquisition process i.e. quotation / vendor selection, invoice and purchase order approvals and classification<br><br>◆ Performed test of details with focus on those items (example internally generated cost, borrowing costs etc.) that we considered significant due to their amount or nature and tested a number of items capitalised during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in Ind AS 16 in this regard.<br><br>◆ Tested other costs debited to Statement of Profit and Loss Account, to ascertain whether these meet the criteria for capitalization<br><br>◆ Ensured adequacy of disclosures in the standalone financial statements. |

## Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's 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.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statements in terms of the requirement 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 their respective Company included in 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 ability of their respective Company included in 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 Company 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company & and its subsidiary companies which are companies incorporated in India (based on the auditors' report of the auditors of the subsidiaries Companies) Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor For the subsidiaries/step down subsidiaries 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 and such other entities including in the consolidated financial statement of which we are the independent auditors 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 Matter

The accompanying Financial Statement includes the audited financial statement and other information in respect of the eight subsidiaries/step down subsidiaries, whose financial statement reflects total assets of ₹29459.93 lakhs, total revenues of ₹65811.33 lakhs, total net profit/ (loss) after tax of ₹2388.21 lakhs, total comprehensive income/(loss) of ₹2620.63 lakhs and cash inflow (net) ₹70.97 lakhs for the year ended as on date, as considered in the consolidated financial Statement. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step down subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries/step down subsidiaries is based solely on the reports of the other auditor.

The financial results of three step down subsidiaries whose financial statement reflect total assets of ₹349.85 lakhs, revenues of ₹398.21 lakhs, total net profit/ (loss) after tax of ₹13.28 lakhs and total comprehensive income/ (loss) of ₹32.14 lakhs and cash inflow (net) of ₹67.30 lakhs for the year ended as on date as considered in the consolidated financial. These financial Statements have been prepared by the management of respective step down subsidiaries and furnished to us by the management of the holding company. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our opinion on the consolidated Ind AS 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 the financial statements certified by the Management

## Report on Other Legal and Regulatory Requirements

**1. As required by section 143 (3) of the Act, we report, to the extent applicable, 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 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, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India none of the directors is disqualified as on March 31, 2023 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 financial statements of the Holding Company and its

subsidiaries Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the consolidated financial statements.

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group refer to Note no 42 to the consolidated financial statements;

ii. provision has been made in the consolidated financial statements, 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 company and further there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) (a) The final dividend proposed by the Holding Company in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable. (Refer Note 47 to the consolidated financial statements).

(b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. (Refer Note 47 to the consolidated financial statements)

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company or its subsidiary companies incorporated in India and with effect from April 1, 2023, and accordingly,

reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor's Report) Order, 2020 ( the "Order"/ " CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Company and its Subsidiaries included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**
Partner
Membership Number: 094380
UDIN: 23094380BGUMYV9195

Place: New Delhi
Date: May 27, 2023

## Annexure A

**List of entities included in the Statement**

### Subsidiaries

1. Greenlam Asia Pacific Pte Ltd.
2. Greenlam America Inc.
3. Geenlam South Ltd.
4. HG Industries Ltd.

### Step Down Subsidiaries

1. Greenlam Europe (UK) Ltd.
2. Greenlam Asia Pacific (Thailand) Co., Ltd.,
3. Greenlam Holding Co., Ltd.
4. Greenlam Decolan SA
5. PT. Greenlam Asia Pacific
6. PT Greenlam Indo Pacific
7. Greenlam RUS LLC
8. Greenlam Poland Sp.Z.o.o

## "Annexure B" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Greenlam Industries Limited.

### Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements'

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Greenlam Industries Limited ('the Holding Company') and its subsidiaries companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to financial statements criteria established by the respective Companies 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 internal control with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India, 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 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 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 Holding companies and subsidiaries incorporated in India 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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; 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 consolidated 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 consolidated 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, to the best of our information and according the explanations given to us, the the Holding Company and its subsidiary companies , which are companies incorporated in India, wherever applicable have maintained in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated 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 with reference to financial statements issued by the Institute of Chartered Accountants of India.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such Companies.

**For S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

**NAVEEN AGGARWAL**
Partner
Membership Number: 094380
UDIN: 23094380BGUMYV9195

Place: New Delhi
Date: May 27, 2023

# Consolidated Balance Sheet as at 31 March, 2023

₹ in Lakhs

| | Note No. | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current Assets** | | | |
| Property, Plant and Equipment | 1 | 50276.46 | 45718.95 |
| Capital Work-in-Progress | 1 | 38021.79 | 754.22 |
| Goodwill | 2 | 348.96 | 321.81 |
| Other Intangible Assets | 2 | 1092.12 | 710.00 |
| Intangible Assets under Development | 2 | 12.76 | 151.42 |
| **Financial Assets** | | | |
| (i) Investments | 3 | 1.25 | 1.25 |
| (ii) Trade Receivables | 4 | 131.42 | 108.53 |
| (iii) Others | 5 | 452.09 | 337.04 |
| Deferred Tax Assets | 21a | 632.66 | 810.97 |
| Other Non-current Assets | 6 | 13355.74 | 3932.52 |
| **Total Non-current assets** | | **104325.24** | **52846.72** |
| **Current Assets** | | | |
| Inventories | 7 | 51349.05 | 50343.09 |
| **Financial Assets** | | | |
| (i) Investments | 8 | 24195.69 | 16069.59 |
| (ii) Trade Receivables | 4 | 14298.59 | 12902.36 |
| (iii) Cash and Cash Equivalents | 9 | 1591.62 | 1570.84 |
| (iv) Bank Balances other than above | 10 | 37.97 | 7.56 |
| (v) Loans | 11 | 53.56 | 50.14 |
| (vi) Others | 12 | 73.56 | 159.48 |
| Current Tax Assets (Net) | 13 | 597.76 | 500.94 |
| Other Current Assets | 14 | 8732.86 | 3971.34 |
| **Total Current assets** | | **100930.66** | **85575.35** |
| **Total Assets** | | **205255.89** | **138422.06** |
| **Equity & Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 15 | 1269.93 | 1206.82 |
| Other Equity | 16 | 95593.02 | 64228.51 |
| Non Controlling Interest | | 32.27 | 69.92 |
| **Total Equity** | | **96895.22** | **65505.25** |
| **Liabilities:** | | | |
| **Non-current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 17 | 35239.24 | 15794.29 |
| (ii) Lease Liabilities | 18 | 4263.87 | 3845.85 |
| (iii) Other Financial Liabilities | 19 | 168.61 | 124.44 |
| Provisions | 20 | 937.38 | 910.22 |
| Deferred Tax Liabilities (Net) | 21b | 1555.87 | 1689.53 |
| **Total Non-current liabilities** | | **42164.97** | **22364.33** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 22 | 21747.72 | 18732.09 |
| (ii) Lease Liabilities | 23 | 1552.56 | 1412.17 |
| (iii) Trade Payables | 24 | | |
| -Total outstanding dues of Micro Enterprises and Small Enterprises | | 1739.06 | 1231.32 |
| -Total outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises | | 25229.13 | 24349.51 |
| (iv) Other Financial Liabilities | 25 | 2712.44 | 1772.42 |
| Other Current Liabilities | 26 | 12547.70 | 2553.65 |
| Provisions | 27 | 350.79 | 300.47 |
| Current Tax Liabilities (Net) | 28 | 316.30 | 200.86 |
| **Total Current liabilities** | | **66195.70** | **50552.48** |
| **Total Equity and Liabilities** | | **205255.89** | **138422.06** |
| Corporate information | I | | |
| Basis of preparation of financial statements | II | | |
| Significant Accounting Policies | III | | |
| Notes to Accounts | 1 to 51 | | |

The accompanying notes referred above form an integral part of the consolidated financial statements

As per our report of even date attached
**For S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Reg. No. 000756N

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Consolidated Statement of Profit and Loss for the year Ended 31 March, 2023

₹ in Lakhs

| | Note No. | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 |
|---|---|---|---|
| **Income:** | | | |
| Sale of Products | | 197375.62 | 164816.60 |
| Other Operating Revenue | | 5220.18 | 5523.81 |
| Revenue from Operations | 29 | 202595.80 | 170340.41 |
| Other Income | 30 | 1795.40 | 729.46 |
| **Total Income** | | **204391.20** | **171069.87** |
| **Expenses:** | | | |
| Cost of Materials Consumed | 31 | 103220.61 | 92104.27 |
| Purchase of stock in trade | 32 | 5027.74 | 5541.27 |
| Changes in inventories of finished Goods, stock in Process and Stock in Trade | 33 | (318.85) | (3215.61) |
| Employees Benefits Expense | 34 | 31386.31 | 25943.24 |
| Finance Costs | 35 | 2347.98 | 1408.00 |
| Depreciation and Amortization Expense | 36 | 6324.69 | 5849.57 |
| Other Expenses | 37 | 39991.90 | 31266.47 |
| **Total Expenses** | | **187980.38** | **158897.21** |
| **Profit before Exceptional Item and Tax** | | **16410.82** | **12172.66** |
| **Exceptional Item (gain)/Loss** | | **-** | **(258.96)** |
| **Profit before Tax** | | **16410.82** | **11913.70** |
| **Tax Expense** | | | |
| Current Tax | 38 | 4190.30 | 3183.30 |
| Tax adjustments of Earlier years | | (637.86) | 68.72 |
| Deferred Tax | 18 | 54.42 | (396.55) |
| | | **3606.86** | **2855.47** |
| **Profit for the Year** | | **12803.96** | **9058.23** |
| Profit or loss, attributable to Non Controlling Interests | | (38.19) | (15.04) |
| Profit or loss, attributable to Owners | | 12842.15 | 9073.27 |
| **Other Comprehensive Income** | | | |
| **Items that will be reclassified to profit or loss:** | | | |
| Exchange rate difference on Consolidation | | 562.38 | 197.98 |
| **Items that will not be reclassified to profit or loss:** | | | |
| Remeasurement gain/(loss) on defined benefit plans | | (38.40) | 31.37 |
| Income tax relating to items that will not be reclassified to profit or loss | | 9.66 | (7.90) |
| **Other Comprehensive Income (net of tax)** | | **533.64** | **221.45** |
| **Total Comprehensive Income for the year (net of Tax)** | | **13337.60** | **9279.68** |
| Comprehensive Income, attributable to Non Controlling Interest | | (38.19) | (15.04) |
| | | | |
| Comprehensive Income, attributable to Owners | | 13375.79 | 9294.72 |
| | | | |
| Earnings per Equity Share Face Value ₹1 Each | | | |
| Basic and Diluted | 39 | **10.27** | **7.52** |
| Corporate information | I | | |
| Basis of preparation of financial statements | II | | |
| Significant Accounting Policies | III | | |
| Notes to Accounts | 1 to 51 | | |

The accompanying notes referred above form an integral part of the consolidated financial statements

As per our report of even date attached

**For S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Reg. No. 000756N

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Consolidated Cash Flow Statement for the year Ended 31 March, 2023

₹ in Lakhs

| | Note No. | Year Ended 31 March, 2023 | Year Ended 31 March, 2022 |
|---|---|---|---|
| **A. Cash flows from operating activities** | | | |
| **Profit before Exceptional Item and Tax** | | 16410.82 | 12172.66 |
| Adjustments for non cash and non operating items: | | | |
| Exceptional Item | | - | (258.96) |
| Depreciation and Amortization Expense | | 6324.69 | 5849.57 |
| Finance Costs | | 2347.98 | 1408.00 |
| Liabilities no longer required written back | | (186.01) | (114.58) |
| Loss/(Profit) on Sale / Discard of Property Plant & Equipment | | (17.56) | 86.56 |
| Effect of Exchange Rate Changes | | 562.38 | 211.53 |
| Unrealised Foreign Exchange Fluctuations | | 36.05 | (52.36) |
| Provision against Current Assets | 12 | - | 23.13 |
| Profit on redemption of Current Investments (Net) | | (466.72) | (157.53) |
| Provision for Doubtful Debts | | 145.52 | 11.32 |
| Interest Income | | (736.81) | (186.25) |
| | | **8009.52** | **6820.43** |
| **Operating cash flows before working capital changes** | | **24420.34** | **18993.09** |
| Working capital adjustments: | | | |
| (Increase) / Decrease in Trade and Other Receivables | | (6298.49) | 357.06 |
| (Increase) / Decrease in Inventories | | (1005.96) | (12531.71) |
| (Decrease) / Increase in Trade Payables | | 3935.38 | 3626.95 |
| | | **(3369.07)** | **(8547.70)** |
| **Net Cash Generated from Operating Activities** | | **21051.27** | **10445.38** |
| Direct Taxes (Paid) | | **(3533.82)** | **(3329.68)** |
| **Net cash from operating activities** | | **17517.45** | **7115.70** |
| **B. Cash flows from investing activities** | | | |
| Acquisition of Property Plant & Equipment (Including CWIP) | | (47230.18) | (8711.45) |
| Profit on redemption of Current Investment (Net) | | 466.72 | 157.53 |
| Proceed from Sale of Property Plant & equipment | | 46.22 | 166.88 |
| Investment | | (8126.10) | (5429.88) |
| Interest Received | | 736.81 | 186.25 |
| **Net Cash used in Investing Activities** | | **(54106.53)** | **(13630.67)** |
| **C. Cash flows from financing activities** | | | |
| Issue of Equity Share Capital | | 19500.00 | - |
| Proceeds from Long Term Borrowings | | 22669.95 | 9900.00 |
| Short Term Borrowings (Net) | | 3015.63 | 2269.78 |
| Lease Liability (Net) | | (1582.46) | (914.06) |
| Repayment of Long Term Borrowings | | (3225.00) | (2484.31) |
| Interest Paid | | (2320.08) | (1342.27) |
| Dividend Paid | | (1448.18) | (1206.82) |
| **Net Cash generated/(used) in Financing Activities** | | **36609.86** | **6222.31** |
| **Net Increase / (Decrease) in Cash and Cash Equivalents** | | **20.78** | **(292.65)** |
| Add : Balance at the beginning of the year | | 1570.84 | 1863.49 |
| Cash / Cash Equivalents at the close of the Year | 9 | **1591.62** | **1570.84** |
| | | | |
| **Cash & Cash Equivalent Includes** | | | |
| Balances with Banks - on Current Accounts | | 1370.79 | 1099.89 |
| Cash on Hand | | 27.00 | 28.39 |
| Remittance in Transit | | 193.83 | 442.56 |
| | | **1591.62** | **1570.84** |

# Consolidated Cash Flow Statement for the year Ended 31 March, 2023

**Non Cash Changes in Liabilities arising from financing activities**

₹ in Lakhs

| Particulars | As at 1 April, 2021 | Cash Flows | Non Cash Change | As at 31 March , 2022 |
|---|---|---|---|---|
| Long Term Borrowings | 10876.07 | 7415.69 | - | 18291.76 |
| Short Term Borrowings | 13964.84 | 2269.78 | - | 16234.62 |

₹ in Lakhs

| Particulars | As at 1 April , 2022 | Cash Flows | Non Cash Change | As at 31 March , 2023 |
|---|---|---|---|---|
| Long Term Borrowings | 18291.76 | 20071.75 | - | 38363.51 |
| Short Term Borrowings | 16234.62 | 2388.83 | - | 18623.45 |

Notes:

(i) 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.

(ii) Acquisition of property, plant and equipment includes capital advances and liability for capital goods during the year.

(iii) Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management

(iv) Figures in brackets indicate cash outflows.

As per our report of even date attached

**For S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Reg. No. 000756N

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Consolidated Statement of changes in equity for the year Ended 31 March, 2023

## a) Equity share capital

₹ in Lakhs

| Particulars | Note | Amount |
|---|---|---|
| Balance as at 1 April 2021 | 15 | 1206.82 |
| Issue of equity share capital during the year | | - |
| Balance as at 31 March 2022* | | 1206.82 |
| Issue of equity share capital during the year | | 63.11 |
| **Balance as at 31 March 2023** | | **1269.93** |

* The Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹1206.82 lakhs consist of 120681870 equity shares of ₹1/- each.

## b) Other equity

₹ in Lakhs

| Particulars | Note | Reserves and surplus | | | | Items of OCI | Total |
|---|---|---|---|---|---|---|---|
| | | Capital reserve | General reserve | Retained earnings | Securities Premium | Remeasurements of defined benefit liability | |
| **Balance as at 1 April 2021** | 16 | 15020.44 | 3000.00 | 37889.43 | - | 230.74 | 56140.62 |
| Total comprehensive income for the year ended 31 March 2022 | | | | | | | |
| Profit or loss | | - | - | 9073.27 | - | - | 9073.27 |
| Net Profit for Current Year Attributable to NCI | | - | - | - | - | - | - |
| Transfer to Reserve | | - | 500.00 | (500.00) | - | - | - |
| Other comprehensive income (net of tax) | | - | - | - | - | 221.45 | 221.45 |
| **Total comprehensive income for the year ended 31 March 2022** | | **-** | **500.00** | **8573.27** | **-** | **221.45** | **9294.72** |
| Dividend on Equity Shares | | | | (1206.82) | | | (1206.82) |
| **Balance as at 31 March 2022** | | 15020.44 | 3500.00 | 45255.88 | - | 452.19 | 65656.80 |
| **Balance as at 1 April 2022** | | **15020.44** | **3500.00** | **45255.88** | **-** | **452.19** | **64228.51** |
| Total comprehensive income for the year ended 31 March 2023 | | | | | | | |
| Profit or loss | | - | - | 12842.15 | - | - | 12842.15 |
| Transfer to Reserve | | | 500.00 | (500.00) | - | | - |
| Other comprehensive income (net of tax) | | - | - | - | - | 533.64 | 533.64 |
| Security Premium on Equity Shares | | - | - | - | 19436.89 | - | 19436.89 |
| **Total comprehensive income for the year ended 31 March 2023** | | **-** | **500.00** | **12342.15** | **19436.89** | **533.64** | **32812.68** |
| Dividend on Equity Shares | | - | - | (1448.18) | - | - | (1448.18) |
| **Balance as at 31 March 2023** | | **15020.44** | **4000.00** | **56149.85** | **19436.89** | **985.84** | **95593.02** |

| | |
|---|---|
| Corporate information | I |
| Basis of preparation of financial statements | II |
| Significant Accounting Policies | III |
| Notes to Accounts | 1 to 51 |

The accompanying notes referred above form an integral part of the consolidated financial statements

As per our report of even date attached

**For S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Reg. No. 000756N

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
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Chief Financial Officer

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(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

**COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

## I CORPORATE INOFRMATION:

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 203, 2nd floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi-110037 , India.

Holding company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at Behror and Nalagarh and branches and dealers' network spread all over the country. It has two overseas wholly owned subsidiary companies i.e. ,Greenlam Asia Pacific Pte Ltd and Greenlam America Inc. and two domestic subsidiary , Greenlam South Ltd ( wholly owned) and HG Industries Limited (holding 74.91% shares).

It imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. The overseas subsidiaries of the company are mainly engaged in marketing and distribution of company's product.

## II BASIS OF PREPARATION OF 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, 2023 are authorized for issue in accordance with a resolution of the Directors on 27th May,2023

**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 SP Z.O.O Poland and Greenlam America Inc., Florida (U.S.A), Greenlam South Ltd continued to be the wholly-owned subsidiaries of the Holding Company and in HG Industries Holding Company hold 74.91% holding , 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 SP Z.O.O, 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"

**b. Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee.

The consolidated financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intragroup balances and intragroup transactions and resulting unrealized profits (losses) are eliminated in full. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-Controlling Interest is not considered.

The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. The resulting

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

exchange difference arising on translations are recognised in OCI and accumulated in other Equity, except to the extent that they are allocated to Non Controlling Interest.

**Basis of Measurement**

The Consolidated financial statements have been prepared under the historical cost basis, except for following assets and liabilities which have been measured at fair value.

**a. Derivative Financial Instruments** – Fair Value

**b. Net Defined Benefits (Assets)/ Liability**- Present value of Defined benefit obligations via actuarial valuation.

Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing Indian accounting standard requires a change in the accounting policy hitherto in use. The Holding Company's management evaluate all recently issued all revised Indian accounting standards on an on-going basis.

**c. Functional and presentation currency**

The Group's financial statements are presented in Indian Rupees ('INR') which is also the Holding Company's functional currency Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

**d. Accounting estimates and assumptions:**

The preparation of the Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**e. Current or non current classification**

All Assets and Liabilities have been classified as current or non-current as per the Holding Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the business of the Holding Company and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Holding Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## III SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

**1.01 PROPERTY, PLANT AND EQUIPMENT:**

**1.01.01** Freehold Land is carried at cost and all other Property, Plant and Equipment are carried at cost less accumulated depreciation. 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, 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.

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.

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

**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/disposal of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

**1.01.03** Depreciation commences when assets are available for there intended use. Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than ₹5000 which are depreciated over their useful life as assessed by the management. Assets are depreciated on Straight Line basis over there useful Life from the date they are available for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, if any, 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 Property Plant & Equipment.

**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 Equipment -5-15 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipment - 3-10 years

**Relating to Greenlam Asia Pacific Pte. Ltd.**

Depreciation on Property Plant & Equipment 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 Equipment - 3 to 15 years

Furniture and Fixtures - 3 to 15 years

Vehicles - 3 to 6 years

Office Equipment - 3 to 8 years

**Relating to Greenlam America Inc.**

Depreciation on Property Plant & Equipment is provided for on Straight Line Method .

**PT. Greenlam Asia Pacific/ PT. Greenlam Indo Pacific**

Depreciation is provided to write off the cost or valuation, less estimated residual value, of tangible assets over their expected useful economic lives, as follows:

Plant and Equipment - 3 to 8 years

Furniture and Fixtures - 3 years

Vehicles - 8 years

Office Equipment - 3 years

**Relating to Greenlam Decolan SA**

Depreciation of plant & equipment are calculated using the straight line method to allocate there depreciable amounts over the estimated useful life's as follows:-

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

Motor Vehicle - 2.5 years

Computers - 2.5 years

Furniture and Fittings 4 years

Office Equipment - 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.

**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.

**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.

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

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 an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

**Non-current assets or disposal group held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

**1.04 INVENTORIES:**

**1.04.01** The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit and at port related to these items are valued at lower of cost to date or net realisable value. Inventories shall be measured at the lower of cost and 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.

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

**1.05 CASH FLOW STATEMENT:**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the Group is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

**1.06 MEASUREMENT OF FAIR VALUE**

**1.06.01** A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Holding Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**1.06.02** The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**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 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 transaction price.

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

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the provision for such impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

**1.07.02 FINANCIAL LIABILITIES:**

Financial liabilities are classified as measured at amortised cost or FVTPL.

Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.

Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade Payables represent liabilities for goods and services provided to the 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. They are recognised initially and subsequently measured at transaction price.

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. 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 reliable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the transaction price 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.

## Significant Accounting Policies to Consolidated Financial Statement
for the year Ended 31 March, 2023

The timing of transfers of controls varies depending on the individual terms of sale.

Arrangements with customers for selling of goods are all fixed price contracts. Revenue from Services are recognized as and when the services are rendered.

**1.09.02 Other Revenue Streams**

**Interest:** Interest income is accrued on a time basis, by reference to the amortised cost 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, Duty Free Import Authorisation (DFIA), 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, DFIA and/or the same are sold. Incentives on exports are recognised in books after due consideration of certainty of utilization/receipt of such incentives,

**Government Grant:** 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 to Consolidated Financial Statement

for the year Ended 31 March, 2023

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 capitalized 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 capitalization.

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.

**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.

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

**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 the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**1.15 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 utilized.

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 utilized. Unrecognized 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 realized 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.

# Significant Accounting Policies to Consolidated Financial Statement

for the year Ended 31 March, 2023

**1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

**1.17.01** Provisions are made when (a) the Group has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**1.17.02** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

**1.18 Accounting Standards not yet effective**

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Holding Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences . The Holding Company is evaluating the impact, if any, in its financial statements

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Holding Company does not expect this amendment to have any significant impact in its financial statements.

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## Note 1: Property Plant and Equipment & Capital Work in progress

₹ in Lakhs

| GROSS BLOCK | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant and Equipment | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | **1094.20** | **603.11** | **1575.72** | **7575.99** | **15548.72** | **43072.95** | **3915.47** | **1159.54** | **22.77** | **2177.96** | **76746.43** | **1746.17** |
| Additions | 5855.69 | - | - | 747.92 | 2480.49 | 2269.90 | 238.13 | 86.48 | 18.60 | 303.23 | 12000.44 | 745.04 |
| Currency Transaction Adjustment | - | - | - | 38.70 | 54.80 | 3.25 | 18.03 | 4.99 | - | 17.70 | 137.47 | - |
| Disposals | - | - | - | 662.69 | 511.51 | 66.77 | 29.41 | 13.39 | - | 18.39 | 1302.16 | 1736.99 |
| **Balance at 31.03.22** | **6949.89** | **603.11** | **1575.72** | **7699.92** | **17572.50** | **45279.33** | **4142.22** | **1237.62** | **41.37** | **2480.50** | **87582.18** | **754.22** |
| **Balance at 1.04.22** | **6949.89** | **603.11** | **1575.72** | **7699.92** | **17572.50** | **45279.33** | **4142.22** | **1237.62** | **41.37** | **2480.50** | **87582.18** | **754.22** |
| Additions | 881.97 | - | - | 1602.76 | 1393.68 | 5301.45 | 258.39 | 484.55 | 10.43 | 632.32 | 10565.56 | 37807.31 |
| Currency Transaction Adjustment | - | - | - | 98.89 | 130.95 | 7.76 | 48.17 | 14.70 | - | 43.67 | 344.14 | - |
| Disposals | - | - | - | 188.54 | - | 124.19 | 28.09 | 135.33 | - | 90.47 | 566.62 | 539.74 |
| **Balance at 31.03.23** | **7831.86** | **603.11** | **1575.72** | **9213.03** | **19097.13** | **50464.35** | **4420.69** | **1601.54** | **51.80** | **3066.02** | **97925.26** | **38021.79** |

₹ in Lakhs

| ACCUMULATED DEPRECIATION | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant and Equipment | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | - | 32.62 | 43.56 | 2128.28 | 5021.90 | 25584.15 | 1435.78 | 719.67 | 10.43 | 1563.01 | 36539.41 | - |
| Depreciation | - | 4.11 | 21.97 | 1179.77 | 552.06 | 3144.01 | 343.86 | 95.61 | 3.22 | 255.49 | 5600.11 | - |
| Currency Transaction Adjustment | - | - | - | 25.28 | 66.37 | 3.20 | 15.11 | 4.41 | - | 16.71 | 131.08 | - |
| Disposals | - | - | - | 308.11 | - | 50.48 | 19.57 | 12.41 | - | 16.80 | 407.37 | - |
| **Balance at 31.03.22** | - | 36.74 | 65.53 | 3025.22 | 5640.33 | 28680.88 | 1775.18 | 807.28 | 13.65 | 1818.41 | 41863.23 | - |
| **Balance at 1.04.22** | - | 36.74 | 65.53 | 3025.22 | 5640.33 | 28680.88 | 1775.18 | 807.28 | 13.65 | 1818.41 | 41863.23 | - |
| Depreciation | - | 4.11 | 21.97 | 1233.41 | 650.60 | 3347.15 | 354.68 | 126.73 | 4.44 | 319.48 | 6062.58 | - |
| Currency Transaction Adjustment | - | - | - | 53.95 | 111.33 | 7.75 | 38.30 | 10.45 | - | 39.17 | 260.95 | |
| Disposals | - | - | - | 188.54 | - | 116.61 | 19.73 | 128.60 | 0.00 | 84.49 | 537.97 | - |
| **Balance at 31.03.23** | **-** | **40.85** | **87.51** | **4124.03** | **6402.27** | **31919.17** | **2148.43** | **815.86** | **18.09** | **2092.57** | **47648.78** | **-** |

₹ in Lakhs

| CARRYING AMOUNT | Freehold Land | Land Development | Right to use Factory Land | Right to use (Other than Land) | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Heavy Vehicles | Office Equipment | Total of Property Plant and Equipment | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **At 31.03.22** | **6949.89** | **566.37** | **1510.19** | **4674.69** | **11932.17** | **16598.45** | **2367.04** | **430.34** | **27.72** | **662.09** | **45718.95** | **754.22** |
| **At 31.03.23** | **7831.86** | **562.26** | **1488.22** | **5089.00** | **12694.86** | **18545.18** | **2272.26** | **785.68** | **33.71** | **973.45** | **50276.46** | **38021.79** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**Note: 1a**

**Capital Work in Progress Ageing**

₹ in Lakhs

| Particulars | outstanding for following periods from due date/ transaction date | | | | Total |
|---|---|---|---|---|---|
| 31.03.2023 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Project in Progress | 37597.38 | 424.42 | - | - | 38021.79 |
| Projects temporarily suspended | - | - | - | - | - |
| **31.03.2022** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | **Total** |
| Project in Progress | 740.55 | 13.66 | - | - | 754.22 |
| Projects temporarily suspended | - | - | - | - | - |

**Note 1b: Preoperative expenditure included in Capital Work in Progress**

The Group has incurred some expenditure related to construction of Property Plant & Equipment and therefore Accounted for the same under Capital Work in Progress. Details of the expense Capitalized and carried forward as capital work in progress are given below.

₹ in Lakhs

| Particulars | For the year ended 31 Mar, 23 | For the year ended 31 Mar, 22 |
|---|---|---|
| Finance Cost | 585.81 | 28.90 |
| Employee Benefit Expenses | 934.86 | 160.20 |
| Legal & Professional Expenses | 122.08 | 11.39 |
| Misc. Expenses | 168.21 | 20.73 |
| Conveyance & Travelling | 56.81 | 9.22 |
| Power & Fuel | 28.94 | 0.86 |
| Security Expenses | 26.05 | - |
| Repairs & Maintenance | 67.04 | 12.26 |
| Depreciation | 30.89 | - |
| Insurance | 35.85 | - |
| Rates & Taxes | 8.16 | 6.56 |
| Rent | 6.46 | 0.74 |
| Vehicle expense | 17.17 | 2.05 |
| **Total** | **2088.33** | **252.91** |

**Capital Work in Progress - Completion Schedule as on March 31, 2023 for projects whose completion is overdue, compared to its original plan**

₹ in Lakhs

| Particulars | to be completed in | | | | Total |
|---|---|---|---|---|---|
| 31.03.2023 | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| Laminate Project | 14916.24 | - | - | - | 14916.24 |
| Plywood Project | 10116.73 | - | - | - | 10116.73 |
| **Total** | **25032.97** | **-** | **-** | **-** | **25032.97** |

## Note 2: Intangible Assets

₹ in Lakhs

| GROSS BLOCK | Goodwill | Trademarks | Computer Software | Technical Knowhow | Total of Other Intangible Assets | Intangible Assets Under Development |
|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | **968.97** | **68.58** | **1654.92** | **334.91** | **3027.38** | **71.54** |
| Additions | - | - | 167.59 | - | 167.59 | 151.42 |
| Currency Transaction Adjustment | 35.43 | - | - | - | 35.43 | - |
| Disposals | - | - | - | - | - | 71.54 |
| **Balance at 31.03.2022** | **1004.40** | **68.58** | **1822.51** | **334.91** | **3230.40** | **151.42** |
| **Balance at 1.04.22** | **1004.40** | **68.58** | **1822.51** | **334.91** | **3230.40** | **151.42** |
| Additions | - | - | 675.11 | - | 675.11 | 211.25 |
| Currency Transaction Adjustment | 84.68 | | | | 84.68 | - |
| Disposals | - | - | - | - | - | 349.92 |
| **Balance at 31.03.2023** | **1089.08** | **68.58** | **2497.62** | **334.91** | **3990.19** | **12.76** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| ACCUMULATED AMORTIZATION | Goodwill | Trademarks | Computer Software | Technical Knowhow | Total of Intangible Assets | Intangible Asset under Development |
|---|---|---|---|---|---|---|
| **Balance at 1.04.21** | **657.94** | **68.58** | **863.04** | **334.91** | **1924.47** | **-** |
| Depreciation | - | - | 249.47 | - | 249.47 | - |
| Currency Transaction Adjustment | 24.65 | | - | - | 24.65 | - |
| Disposals | - | - | - | - | 0.00 | - |
| **Balance at 31.03.22** | **682.59** | **68.58** | **1112.51** | **334.91** | **2198.59** | **-** |
| **Balance at 1.04.22** | **682.59** | **68.58** | **1112.51** | **334.91** | **2198.59** | **-** |
| Depreciation | - | - | 293.00 | - | 293.00 | - |
| Currency Transaction Adjustment | 57.53 | - | - | - | 57.53 | - |
| Disposals | - | - | - | - | - | - |
| **Balance at 31.03.23** | **740.12** | **68.58** | **1405.50** | **334.91** | **2549.12** | **-** |

₹ in Lakhs

| CARRYING AMOUNT | Goodwill | Trademarks | Computer Software | Technical Knowhow | Total of Intangible Assets | Intangible Asset under Development |
|---|---|---|---|---|---|---|
| **31.03.22** | **321.81** | **-** | **710.00** | **-** | **1031.81** | **151.42** |
| **31.03.23** | **348.96** | **-** | **1092.12** | **-** | **1441.08** | **12.76** |

**Note 2a**

**Intangible Assets under Development Ageing**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date/transaction date | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 year | |
| **31.03.2023** | | | | | |
| Project | 12.76 | - | - | - | 12.76 |
| **31.03.2022** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 year** | **Total** |
| Project | 151.42 | - | - | - | 151.42 |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

1.1 During the FY 2022-23, no revaluation of Property Plant and Equipment is done by the company.

1.2 Refer note no. 17 & 22 for Property Plant and Equipment subject to charges against borrowings.

1.3 Title deed of One Office Premises is yet to be transferred in the name of the company, details of which is given below.

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ in Lakhs) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|---|---|
| Property Plant & Equipment | Office Building | 286.98 | SDB Infrastructure Private Limited *An "Agreement to Sell" executed on 16.03.2005 by and between Som Dutt Builders Private Limited (presently SDB Infrastructure Private Limited) and Greenply Industries Limited (predecessor in interest) for sale of the subject property to the former and the said agreement was registered on 16.03.2005. | N/A | April 01, 2013#<br># Being the Appointed Date of the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors approved by the Hon'ble Gauhati High Court on October 31, 2014. | The Company has obtained peaceful possession over the said property pursuant to the above related scheme and taking necessary steps including discussion with seller to transfer the title of the company. |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 3 Non Current Investments

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Investments in Equity Instruments (at Cost) | | |
| Non-Trade, Unquoted , Fully Paid up | | |
| Other than Subsidiary- Indian Laminate Association - 125 equity shares of ₹1000 each | 1.25 | 1.25 |
| | **1.25** | **1.25** |
| Aggregate Book Value of Unquoted Investments | 1.25 | 1.25 |
| Aggregate Market Value of Quoted Investments | - | - |
| Aggregate amount of Impairment on Value of Investment | - | - |

### 3.1 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 | Amount | As % of consolidated Profit or Loss | Amount |
| **Parent** - Greenlam Industries Limited | 96.5% | 93504.43 | 95.7% | 12288.06 |
| **Subsidiary (Foreign)** | | | | |
| Greenlam Asia Pacific PTE Ltd, Singapore | 2.1% | 2049.19 | 8.8% | 1133.44 |
| Greenlam America Inc., USA | 1.9% | 1877.67 | (1.8%) | (230.24) |
| **Subsidiary (Domestic)** | | | | |
| Greenlam South Ltd | (0.2%) | (239.06) | (1.2%) | (154.45) |
| HG Industries Ltd | (0.3%) | (329.28) | (1.5%) | (194.65) |
| | **100.0%** | **96862.95** | **100.0%** | **12842.15** |
| Non Controlling Interest | 0.03% | 32.27 | (0.3%) | (38.19) |

## 4 Trade Receivables (Non - Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Unsecured, considered good | 131.42 | 108.53 |
| | **131.42** | **108.53** |

**Trade Receivables (Current)**

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Secured, considered good | 346.53 | 327.23 |
| Unsecured, considered good | 13952.06 | 12575.13 |
| Credit Impaired | 231.35 | 86.33 |
| | **14529.94** | **12988.69** |
| Less : Provision for Doubtful Trade Receivables | | |
| Credit Impaired | 231.35 | 86.33 |
| | **14298.59** | **12902.36** |
| **Of the above, Trade Receivable from Related parties** | | |
| Trade Receivable due from related parties (Refer note no. 41) | 118.37 | 64.99 |
| Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a member | - | - |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**Ageing Schedule**

₹ in Lakhs

| | Not Due | Less than 6 months | 6-12 months | More than 1 year | Total |
|---|---|---|---|---|---|
| **31 March 2023** | | | | | |
| Undisputed Trade receivables (considered good) | 8956.31 | 4330.13 | 1196.02 | 178.90 | 14661.37 |
| Undisputed Trade receivables which have significant increase in credit risk | - | - | - | - | - |
| Disputed Trade receivables | - | - | - | - | - |
| Expected credit loss (Provision for doubtful debts) | 0.10 | 0.23 | 115.98 | 115.05 | 231.35 |
| **Carrying amount (net of impairment)** | **8956.21** | **4329.90** | **1080.04** | **63.85** | **14430.01** |
| **31 March 2022** | | | | | |
| Undisputed Trade receivables (considered good) | 10380.80 | 2423.64 | 55.83 | 236.45 | 13096.72 |
| Undisputed Trade receivables which have significant increase in credit risk | - | - | - | - | - |
| Disputed Trade receivables | - | - | - | - | - |
| Expected credit loss (Provision for doubtful debts) | 0.64 | 0.74 | 0.77 | 83.68 | 85.83 |
| **Carrying amount (net of impairment)** | **10380.16** | **2422.90** | **55.06** | **152.77** | **13010.89** |

## 5. Other Non Current Financial Assets

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Security Deposit - Lease | 452.09 | 337.04 |
| | **452.09** | **337.04** |

## 6 Other Non-current Assets

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Capital Advances | 12979.29 | 3662.33 |
| Prepaid Interest on Security Deposits | 33.49 | 35.35 |
| Advance for Land | 45.29 | 42.82 |
| Other Security Deposit | 251.44 | 150.62 |
| Prepaid Expenses | 46.22 | 41.40 |
| | **13355.74** | **3932.52** |

## 7 Inventories

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Raw Materials | 26971.24 | 27000.87 |
| [including transit and at Customs Warehouse ₹3852.96 lakhs (Previous year ₹4677.75 lakhs)] | | |
| Stock in Process | 4159.21 | 4422.87 |
| Finished Goods | 17706.27 | 16625.61 |
| [including in Transit ₹6488.08 lakhs (Previous year ₹4307.02 lakhs)] | | |
| Stock In Trade | 92.94 | 96.83 |
| Stores & Spares | 2419.39 | 2196.91 |
| | **51349.05** | **50343.09** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 8 Current Investments

₹ in Lakhs

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Unit | Amount | Unit | Amount |
| **Investment in Quoted Mutual Funds measured at FVTPL** | | | | |
| Aditya Birla Sun Life Savings Fund - Direct Growth Plan | - | - | 716490 | 2458.46 |
| Axis Overnight Fund - Direct Growth Plan | 29526 | 350.05 | 209423 | 2353.58 |
| Axis Liquid Fund - Direct Growth Plan | 140273 | 3508.06 | 314212 | 2522.51 |
| HDFC Liquid Fund- Direct Growth Plan | - | - | 1122 | 35.42 |
| Nippon India Overnight Fund - Direct Growth Plan | 707019 | 851.00 | 2978393 | 6340.92 |
| Aditya Birla Sunlife Overnight Fund- Direct Growth Plan | - | - | 205161 | 2358.70 |
| Kotak Liquid Fund - Direct Growth Plan | 19869 | 903.73 | - | - |
| Kotak Overnight Fund - Direct Growth Plan | 92085 | 1101.14 | - | - |
| **Bonds measured at Amortised cost** | | | | |
| 5.04% Indian Railway Finance Corporation Ltd. | 100 | 989.84 | - | - |
| Bharat Bond ETF- Edelweiss Mutual Fund | 84514 | 1038.74 | - | - |
| 6.80% REC Ltd. | 100 | 1002.67 | - | - |
| 6.98% Power Finance Corporation Ltd. | 150 | 1504.73 | - | - |
| 5.44% National Bank for Agriculture and Rural Development | 100 | 979.16 | - | - |
| 5.40% Housing Development Finance Corporation Ltd. | 200 | 1975.68 | - | - |
| 5.14% National Bank for Agriculture and Rural Development | 200 | 1945.79 | - | - |
| 5.47% Power Finance Corporation Ltd. | 100 | 987.50 | - | - |
| 5.53% National Bank for Agriculture and Rural Development | 100 | 979.35 | - | - |
| 5.69% REC Ltd. | 100 | 988.93 | - | - |
| 6.40% National Bank for Agriculture and Rural Development | 100 | 993.25 | - | - |
| 9.05% Housing Development Finance Corporation Ltd. | 150 | 1529.91 | - | - |
| 9.08% LIC Housing Finance Ltd. | 100 | 1023.18 | - | - |
| 8.50% Indian Railway Finance Corporation Ltd. | 50 | 511.55 | - | - |
| 9.58% Export Import Bank of India | 50 | 514.58 | - | - |
| Accrued Interest on Bond | - | 516.87 | - | - |
| | | **24195.69** | | **16069.59** |
| Aggregate Book Value of Unquoted Investments | | - | | - |
| Aggregate Market Value of Quoted Investments | | 24195.69 | | 16069.59 |
| Aggregate amount of Impairment on Value of Investment | | - | | - |
| | | | | |
| Investment in India | | 24195.69 | | 16069.59 |
| Investment Outside India | | - | | - |

## 9 Cash & Cash Equivalents

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Balances with Banks - on Current Accounts | 1370.79 | 1099.89 |
| Cash on Hand | 27.00 | 28.39 |
| Remittance in Transit | 193.83 | 442.56 |
| **(A)** | **1591.62** | **1570.84** |

## 10 Other Bank Balance

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Earmarked balance with Banks for Unpaid Dividend Accounts | 4.98 | 4.19 |
| Margin Money | 32.99 | 3.37 |
| (B) | **37.97** | **7.56** |
| **(A+B)** | **1629.59** | **1578.40** |

## 11 Loan (Current Financial Assets)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (Unsecured, considered good) | | |
| Advance to Employees | 53.56 | 50.14 |
| | **53.56** | **50.14** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 12 Other Financial Assets (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Foreign Exchange forward contracts | - | 73.21 |
| Insurance Claim Receivable* | 73.56 | 86.27 |
| | **73.56** | **159.48** |

*Amount Netted of Provision of ₹40.99 Lakhs

## 13 Current tax Asset ( Net)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Current tax assets (Net of provision for income tax) | 597.76 | 500.94 |
| | **597.76** | **500.94** |

## 14 Other Current Assets

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| (Unsecured, considered good) | | |
| Advance against Purchases | 946.51 | 747.74 |
| Balance with Government Authorities | 5206.66 | 439.22 |
| Goods and Service Tax Refund Receivable* | 159.16 | 452.33 |
| Advance Payment of Sales Tax/GST | 30.70 | 29.41 |
| Export Incentive Receivable | 1554.28 | 1491.58 |
| Prepaid Expenses | 835.56 | 811.06 |
| | **8732.86** | **3971.34** |

* includes interest paid on IGST of ₹109.80 Lakhs on imports made under advance authorization scheme after intimation by Department. Later on Hon'ble Gujrat High court has set aside the order in similar matter of other company. Considering this case, company requested concerned govt authorities for refund of interest so paid. The department has communicated that the matter is pending with Hon'ble Supreme Court and accordingly this amount has been kept as receivable.

## 15 Equity Share Capital

₹ in Lakhs

| | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **15.1 Authorised** | | | | |
| Equity Shares of ₹5 each | - | - | - | - |
| Equity Shares of ₹1 each | 150000000 | 1500.00 | 150000000 | 1500.00 |
| **15.2 Issued, Subscribed and Fully Paid up** | | | | |
| Equity Shares of ₹5 each | - | - | - | - |
| Equity Shares of ₹1 each | 126992550 | 1269.93 | 120681870 | 1206.82 |
| **15.3 The reconciliation of the number of shares outstanding** | | | | |
| Equity Shares at the beginning of the year (Face Value ₹1)* | 120681870 | 1206.82 | 24136374 | 1206.82 |
| Less: Equity Shares Cease to exists | - | - | (24136374) | (1206.82) |
| Add : Shares Split during the year (Face Value ₹1)* | - | - | 120681870 | 1206.82 |
| Add : Shares issued during the year # | 6310680 | 63.11 | - | - |
| **Total** | **126992550** | **1269.93** | **120681870** | **1206.82** |

* The Holding Company has sub-divided face value of its equity share from ₹5/- to ₹1/- each effective from the record date i.e. February 11, 2022. Accordingly, the paid up share capital of the Company of ₹1206.82 lakhs consist of 120681870 equity shares of ₹1/- each.

# The Holding Company has allotted 6310680 equity shares of the Company of face value of ₹1 each to Smiti Holding and Trading Company Private Limited on preferential basis at a price of ₹309 per share aggregating to ₹19500.00 lakhs. Pursuant to the aforesaid allotment, the paid-up Equity Share Capital of the Company stands increased from ₹1206.82 lakhs to ₹1269.93 lakhs.

**15.4 Terms/Rights attached to the Equity Shares**

The Company has a single class of Equity Shares having a par value of ₹1 per share (Previous Year ₹5 per share, Split during the year to ₹1). Each holder of equity shares is entitled to one vote per share. The Company declares

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

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 ₹1.20 (Previous year ₹1.00). And this year interim dividend distributed ₹ Nil per share (Previous year ₹ Nil) Refer note no. 48 for proposed dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

The company has neither issued bonus shares not has bought back any shares during last 5 years

No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date

No Securities convertible into Equity/Preference shares have been issued by the Company during the year.

No calls are unpaid by any Director or Officer of the Company during the year.

No share issued for consideration other than cash during the year.

**15.5 Name of the Shareholders holding more than 5% Shares**

| Equity Shares | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Number | % | Number | % |
| SM Greenlam Investments Private Limited (formerly known as Greenply Leasing & Finance Pvt Ltd) | 48197555 | 37.95% | 48197555 | 39.94% |
| Saurabh Mittal | 11645855 | 9.17% | 11645855 | 9.65% |
| HDFC Trustee Company Ltd | 10783172 | 8.49% | 10835880 | 8.98% |
| Ashish Dhawan | - | - | 6814210 | 5.65% |
| Blue Diamond Properties Private Limited | 8729850 | 6.87% | 8729850 | 7.23% |
| Hydra Trading Private Limited | 9436480 | 7.43% | - | - |

**15.6 Details of shares held by promoters**

| | Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | Change in holding % |
|---|---|---|---|---|---|---|
| **31 March 2023** | | | | | | |
| Equity shares of ₹1 each * | Mr. Saurabh Mittal | 11645855 | - | 11645855 | 9.17% | 0.00% |
| **31 March 2022** | | | | | | |
| Equity shares of ₹1 each * | Mr. Saurabh Mittal | 15732670 | (4086815) | 11645855 | 9.65% | -3.39% |

* Refer note no. 15.3

**15.7** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 16 Other Equity

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Capital Reserve** | | |
| At the beginning of the Financial Year | 15020.44 | 15020.44 |
| **Balance at end of Financial Year** | **15020.44** | **15020.44** |
| **General Reserve** | | |
| At the beginning of the Financial Year | 3500.00 | 3000.00 |
| Add: Transferred from Statement of Profit and Loss | 500.00 | 500.00 |
| **Balance at end of Financial Year** | **4000.00** | **3500.00** |
| **Securities Premium** | | |
| At the beginning of the Financial Year | - | - |
| Add: Shares issued during the year | 19436.89 | - |
| **Balance at end of Financial Year** | **19436.89** | **-** |
| Refer note no. 15.3 for issue of shares | | |
| **Retained Earnings other than OCI** | | |
| At the beginning of the Financial Year | 45255.88 | 37889.43 |
| Add : Net profit for the current year | 12842.15 | 9073.27 |
| Less : Transferred to General Reserve | 500.00 | 500.00 |
| Less : Dividend on Equity Shares | 1448.18 | 1206.82 |
| **Balance at end of Financial Year** | **56149.85** | **45255.88** |
| **Other Comprehensive Income (OCI)** | | |
| At the beginning of the Financial Year | 452.19 | 230.74 |
| Exchange Differences in translating financial statements of foreign operations | 562.38 | 197.98 |
| Remeasurements of the net defined benefit plans | (28.74) | 23.47 |
| **Balance at end of Financial Year** | **985.84** | **452.19** |
| | **95593.02** | **64228.51** |

## 17 Borrowing (Non Current)

(Refer note 45 for Method of Valuation)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Secured** | | |
| Term Loans from Banks | | |
| Foreign Currency Loans* | 4836.47 | 400.61 |
| Rupee Loans | 23627.04 | 7991.15 |
| | **28463.51** | **8391.76** |
| Less: Current maturities of Long Term Borrowings** | 3124.27 | 2497.47 |
| | **25339.24** | **5894.29** |
| Non Convertible Debentures (Refer Note 17.3) | 9900.00 | 9900.00 |
| | **35239.24** | **15794.29** |

* Foreign Currency loan of ₹4836.47 lakhs includes financial assistance of ₹299.88 lakhs approved by Switzerland Government to all the business entities operating in Switzerland due to Covid-19 outbreak. This loan is fully secured by government guarantee, interest free and payable in half yearly installments within 5 years and ₹4536.59 lakhs foreign currency loan has been availed by Greenlam South Ltd.

** Refer note 17.2

**17.1 Term Loans of ₹5493.68 lakhs availed by the Holding Company.** Term Loans of ₹5493.68 lakhs (Previous year ₹7991.15 lakhs) are secured by first pari-passu charge on all movable assets of the Holding Company, present and future, first pari-passu charge on immovable 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.

**HG Industries Ltd:**- Term Loans of ₹7208.19 Lakhs (Previous Year ₹ Nil Lakhs) are secured by exclusive charge by way of hypothecation on entire movable assets of the Company, present and future. Exclusive Charge by way of registered mortgage on project land (agricultural) of company in Tamil Nadu situated at Panchalam Village, Melpettai post, Tindivanam, Viluppuram - 604307, Tamil Nadu. Further, the term loan is secured by corporate guarantee from Holding Company.

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**Greenlam South Ltd:**- Term Loans of ₹15461.75 Lakhs is secured by -

**Foreign Currency Loan (₹4536.59 Lakhs)**

Exclusive charge, by way of hypothecation, over main press line of Particle Board plant at Naidupeta, Andhra Pradesh, and Corporate Guarantee from Holding Company

**Rupees Loan ( ₹10925.16 Lakhs)**

(a) a first ranking pari passu charge, by way of an equitable mortgage, on all present and future immovable assets of the Company, located at Naidupeta (Andhra Pradesh);

(b) a first ranking pari passu charge, by way of hypothecation, on all existing and future movable tangible assets of the Company located at Naidupeta (Andhra Pradesh) including movable plant and machinery (except for exclusive charge given to Landesbank Baden-Württemberg for particle board plant at Naidupeta, Andhra Pradesh);

(c) A first ranking pari passu charge, by way of hypothecation, on all existing and future bank accounts and reserves of the Company maintained in relation to the project and other reserves and any other bank accounts of Company (including the designated account), wherever maintained and account(s) in substitution thereof, and in all non-fund based reserves maintained by way of letters of credit/ bank guarantees or otherwise and in all monies lying to credit of such account(s) and all investments made from monies standing to credit of such account

(d) A second ranking pari passu charge,by way of hypothecation, on all the present and future current assets of the Company,

(e) Corporate Guarantee from Holding Company

**17.2 Terms of Repayment of Term Loans**

| Holding Co. | 2023-2024 | 2024-2025 | 2025-2026 |
|---|---|---|---|
| **Term Loans from Banks** | | | |
| Equal Quarterly Installments | 1000.00 | 750.00 | - |
| Equal Quarterly Installments | 1497.47 | 1497.47 | 748.74 |
| | **2497.47** | **2247.47** | **748.74** |

| HG Industries Ltd | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 |
|---|---|---|---|---|---|---|
| Equal Quarterly Installments | 626.80 | 1253.60 | 1253.60 | 1253.60 | 1253.60 | 1253.60 |
| **Total** | **626.80** | **1253.60** | **1253.60** | **1253.60** | **1253.60** | **1253.60** |

| HG Industries Ltd | 2029-2030 |
|---|---|
| Equal Quarterly Installments | 313.40 |
| **Total** | **313.40** |

| Greenlam South Ltd | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 |
|---|---|---|---|---|---|---|
| Equal Half Yearly Installments | 636.36 | 1272.72 | 1272.73 | 1272.73 | 1272.73 | 1272.73 |
| Equal Quarterly Installments | 284.19 | 378.92 | 378.90 | 378.90 | 378.90 | 284.19 |
| Equal Half Yearly Installments | 55.23 | 184.11 | 405.04 | 441.87 | 478.69 | 276.17 |
| Equal Half Yearly Installments | 453.66 | 453.66 | 453.66 | 453.66 | 453.66 | 453.66 |
| | **1429.44** | **2289.41** | **2510.33** | **2547.16** | **2583.98** | **2286.75** |

| Greenlam South Ltd | 2030-2031 | 2031-2032 | 2032-2033 | 2033-2034 |
|---|---|---|---|---|
| **Equal Half Yearly Installments** | 453.66 | 453.66 | 453.66 | 453.66 |
| | **453.66** | **453.66** | **453.66** | **453.66** |

| Greenlam Decolan SA | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 |
|---|---|---|---|---|---|
| Equal Half Yearly Installments | 74.97 | 74.97 | 74.97 | 74.97 | 74.97 |
| | **74.97** | **74.97** | **74.97** | **74.97** | **74.97** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**17.3 Non-Convertible Debentures - issued by Holding Company** ₹ in Lakhs

| Particulars | Terms of Repayment | 31 March 2023 | 31 March 2022 |
|---|---|---|---|
| 290 rated, listed, secured, redeemable non-convertible debentures of face value of ₹10 Lakhs each (Series II). Interest Rate 7.78%. Issued on 28/2/2022 | 100% Redeemable at par on 28th February 2025 | 2900.00 | 2900.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 23% Redeemable at par on 28th August, 2025 | 1610.00 | 1610.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 20% Redeemable at par on 28th May, 2025 | 1400.00 | 1400.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 20% Redeemable at par on 28th February, 2025 | 1400.00 | 1400.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 17% Redeemable at par on 28th November, 2024 | 1190.00 | 1190.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 10% Redeemable at par on 28th August, 2024 | 700.00 | 700.00 |
| 700 rated, listed, secured, redeemable non convertible debentures of face value of ₹10 Lakhs each (Series I). Interest Rate 7.78%. Issued on 28/2/2022 | 10% Redeemable at par on 28th May, 2024 | 700.00 | 700.00 |
| **Total** | | **9900.00** | **9900.00** |

All the NCD's are secured by first pari passu charge on movable Property Plant & Equipment of the Holding Company, present & future; first pari passu charge on immovable assets of the Holding Company situated at Behror, (Rajasthan) and Nalagarh, (Himachal Pradesh) and second pari passu charge on current assets of the Holding Company, present and future.

**17.4** The Group has not defaulted in repayment of loans and interest during the year.

## 18 Lease Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Liability for Right to Use (Refer No. 46) | 4263.87 | 3845.85 |
| | **4263.87** | **3845.85** |

## 19 Other Financial Liabilities (Non Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Security Deposits from Customers | 168.61 | 124.44 |
| | **168.61** | **124.44** |

## 20 Provisions (Non Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Provisions for Employee Benefits | | |
| Net defined benefit liability- Gratuity( Refer Note No. 34.1.(iii))* | 240.09 | 333.90 |
| Liability for compensated absences ( Refer Note No. 34.2) | 697.29 | 576.32 |
| | **937.38** | **910.22** |

* includes ₹75.30 Lakhs of one employee of Holding Company whose provision is booked as per agreement. Provision for Gratuity is shown as net of planned assets

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 21 Deferred Tax (Liabilities/Asset)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **21a** Deferred Tax Liabilities | | |
| Depreciation on Property Plant & Equipment and intangible asset | 1555.87 | 1689.53 |
| | **1555.87** | **1689.53** |
| **21b Deferred Tax Assets** | | |
| Provision for Gratuity/Liabilities | **632.66** | **810.97** |

## 22 Borrowings (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Secured** | | |
| Loans Repayable on Demand | | |
| Working Capital Loans from Banks | | |
| Foreign Currency Loans | 1123.45 | 1822.61 |
| Rupee Loans | 16350.00 | 10200.00 |
| Current Maturity of Term Loan* | 3124.27 | 2497.47 |
| | **20597.72** | **14520.08** |
| **Unsecured** | | |
| Other Loans and advances from Banks | 1150.00 | 4212.01 |
| | **21747.72** | **18732.09** |

* Refer note no. 17

**22.1** Working Capital Rupee Loans of ₹16350 Lakhs (Previous Year ₹10200.00 Lakhs) are secured by first pari-passu charge on all current assets of the Holding Company, present and future, second pari-passu charge on all movable assets of the Holding Company, present and future and second pari-passu charge on immovable assets of the Holding Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh).

Working Capital Foreign Currency Loans of ₹1123.45 Lakhs availed by Subsidiaries companies, Out of which ₹592.40 lakhs availed by Greenlam Asia Pacific Pte Ltd , ₹455.99 lakhs availed by Greenlam Europe UK Ltd. and ₹74.97 lakhs availed by Greenlam Decolan SA .

-Working Capital Loans of ₹592.40 Lakhs of Greenlam Asia Pacific Pte Ltd., are secured against first exclusive charge on all assets and accounts of the company and Corporate Guarantee of the Holding Company (USD 30 Lakhs).

-Working Capital Loans of ₹456.05 Lakhs of Greenlam Europe UK Ltd., are secured against Corporate Guarantee given by Holding Company ( GBP 10 lakhs).

-Working Capital Loan of ₹74.97 Lakhs availed by Greenlam Decolan SA from Switzerland government payable in two equal installment. ( refer note 17)

**22.2** The Group has not defaulted in repayment of loans and interest during the year.

## 23 Lease Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Liability for Right to Use (Refer No. 46) | 1552.56 | 1412.17 |
| | **1552.56** | **1412.17** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 24 Trade Payables

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Total outstanding dues of Micro Enterprises and Small Enterprises | | |
| (to the extent identified with the available information) | 1739.06 | 1231.32 |
| Total outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises | 25229.13 | 24349.51 |
| | **26968.19** | **25580.83** |

₹ in Lakhs

| Ageing Schedule | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **31 March 2023** | | | | | | |
| Dues to micro and small enterprises | 1496.72 | 242.35 | - | - | - | 1739.07 |
| Dues to other than micro and small enterprises | 19550.96 | 5616.03 | 39.43 | 15.76 | 6.94 | 25229.12 |
| Disputed Micro and Small Enterprises | - | - | - | - | - | - |
| Disputed other than Micro and Small Enterprises | - | - | - | - | - | - |
| **Total** | **21047.68** | **5858.38** | **39.43** | **15.76** | **6.94** | **26968.19** |
| **31 March 2022** | | | | | | |
| Dues to micro and small enterprises | 1201.06 | 30.26 | - | - | - | 1231.32 |
| Dues to other than micro and small enterprises | 17608.64 | 6634.58 | 42.13 | 56.91 | 7.25 | 24349.51 |
| Disputed Micro and Small Enterprises | - | - | - | - | - | - |
| Disputed other than Micro and Small Enterprises | - | - | - | - | - | - |
| **Total** | **18809.70** | **6664.84** | **42.13** | **56.91** | **7.25** | **25580.83** |

## 25 Other Financial Liabilities (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Unpaid Dividend | 4.98 | 4.19 |
| Interest Accrued but not due on borrowings | 95.89 | 67.99 |
| GST Payable | 680.05 | 202.08 |
| Derivative Instruments-Mark to Market valuation | 1.20 | - |
| Employee Payable | 1930.32 | 1498.16 |
| | **2712.44** | **1772.42** |

**25.1** Amount credited to the Investor Education and Protection Fund by Holding Company of ₹0.11 Lakhs (Previous year ₹ Nil)

## 26 Other Current Liabilities

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Advance from Customers | 2335.02 | 1278.51 |
| Statutory Dues | 979.79 | 1019.54 |
| Provision for Cash Discount | 72.08 | 61.18 |
| Amount due to Capital Goods Vendors | 9160.82 | 194.42 |
| | **12547.70** | **2553.65** |

## 27 Provisions (Current)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Provisions for Employee Benefits | | |
| Net defined benefit liability- Gratuity ( Refer Note No. 34.1.(iii)) | 197.48 | 142.23 |
| Liability for compensated absences ( Refer Note No. 34.2) | 153.31 | 158.24 |
| | **350.79** | **300.47** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 28 Current Tax Liabilities (Net)

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Provision for Taxation | 316.30 | 200.86 |
| | **316.30** | **200.86** |

## 29 Revenue from Operations

₹ in Lakhs

| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| Sale of Products | 197375.62 | 164816.60 |
| **Other Operating Revenue** | | |
| -Export Incentive | 3221.30 | 3749.60 |
| -Miscellaneous Income | 1998.88 | 1774.21 |
| | **5220.18** | **5523.81** |
| | **202595.80** | **170340.41** |

### 29.1 Particulars of sale of products

₹ in Lakhs

| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| Decorative Laminates | 176880.10 | 147953.18 |
| [including exports ₹88862.55 lakhs (Previous year ₹77220.61 lakhs)] | | |
| Decorative Veneers | 10643.19 | 8320.03 |
| [including exports ₹118.54 lakhs (Previous year ₹142.52 lakhs)] | | |
| Engineered Wood Flooring | 4135.01 | 3479.73 |
| [including exports ₹380.24 lakhs (Previous year ₹746.04 lakhs)] | | |
| Melamine Faced Chipboards | 1927.12 | 1322.79 |
| Engineered Door Sets & Door Leaf | 2204.85 | 2402.57 |
| [including exports ₹4.88 lakhs (Previous year ₹822.30 lakhs)] | | |
| Others | 1585.34 | 1338.30 |
| [including exports ₹0.53 lakhs (Previous year ₹ Nil lakhs)] | | |
| | **197375.62** | **164816.60** |

## 30 Other Income

₹ in Lakhs

| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| Interest Income | 736.81 | 186.25 |
| Liabilities no longer required written back * | 186.01 | 114.58 |
| Gain on Sale of Property Plant & Equipment | 17.56 | - |
| Other Income | 388.31 | 271.10 |
| Profit on redemption of Current Investments (Net)** | 466.72 | 157.53 |
| | **1795.40** | **729.46** |

* Liability no longer required written back includes write back of entry tax provision of ₹100.77 lakhs due to favorable judgement

**includes unrealized gain of ₹6.29 lacs (Previous Year : ₹32.14 lacs)

## 31 Cost of Raw Material Consumed

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Inventory of raw material at the beginning of the year | 27000.87 | 18437.59 |
| Add: Purchase | 103190.98 | 100667.55 |
| Less: Inventory of raw material at the end of year | 26971.24 | 27000.87 |
| **Total** | **103220.61** | **92104.27** |

## 32 Purchase of stock in trade

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Purchase of Traded Goods | 5027.74 | 5541.27 |
| | **5027.74** | **5541.27** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 33 Changes in inventories of finished Goods, stock in Process and Stock in Trade

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **Opening Stock** | | |
| Finished Goods | 16625.61 | 12116.23 |
| Stock in Trade | 96.83 | 108.43 |
| Stock-in-Process | 4422.87 | 5507.33 |
| | **21145.31** | **17731.99** |
| **Closing Stock** | | |
| Finished Goods | 17706.27 | 16625.61 |
| Stock in Trade | 92.94 | 96.83 |
| Stock-in-Process | 4159.21 | 4422.87 |
| | **21958.42** | **21145.31** |
| Effect of foreign exchange fluctuations | (494.26) | (197.71) |
| | **(318.85)** | **(3,215.61)** |

## 34 Employees Benefits Expense

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Salary, Wages and Bonus | 29204.15 | 24134.73 |
| Contribution to Provident Fund & Other Funds | 1325.80 | 1249.62 |
| Employees' Welfare Expenses | 856.36 | 558.89 |
| | **31386.31** | **25943.24** |

**34.1 Disclosures regarding employee benefits**
**(Disclosure pertains to Holding Company of the Group)**

i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. As the Company has funded its liability through Employee Gratuity Trust, it has disclose regarding plan assets and its reconciliation.

₹ in Lakhs

| iii) | Actuarial Valuation of Gratuity Liability | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| **a)** | **Defined Benefit Cost** | | |
| | Current Service Cost | 240.04 | 212.42 |
| | Interest Expense on Defined Benefit Obligation (DBO) | 142.09 | 119.66 |
| | Defined Benefit Cost included in Profit and Loss | **382.13** | **332.08** |
| | Remeasurements - Due to Financial Assumptions | (42.28) | (84.20) |
| | Remeasurements - Due to Experience Adjustments | 70.67 | 47.36 |
| | Defined Benefit Cost included in Other Comprehensive Income | **28.39** | **(36.84)** |
| | Total Defined Benefit Cost in Profit and Loss and OCI | **410.52** | **295.24** |
| **b)** | **Movement in Defined benefit liability:** | | |
| | Opening Defined Benefit Obligation | 377.34 | 419.70 |
| | Interest Expense on Defined Benefit Obligation (DBO) | 27.09 | 28.50 |
| | Current Service Cost | 240.04 | 212.42 |
| | Total Remeasurements included in OCI | 38.40 | (31.37) |
| | Less: Contribution paid to Gratuity Fund | (380.20) | (250.00) |
| | Less: Benefits paid | - | (1.91) |
| | Closing benefit obligation | **302.67** | **377.34** |
| | Current Liabilities of Closing benefit obligation | 175.79 | 142.23 |
| | Non-Current Liabilities of Closing benefit obligation | 126.88 | 235.11 |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

| iii) | Actuarial Valuation of Gratuity Liability | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|---|
| | | **302.67** | **377.34** |
| **c)** | **Change in Plan Assets** | | |
| | Fair Value of Plan Assets at the beginning of the year | 1601.64 | 1342.62 |
| | Actual return on plan assets | 105.03 | 85.70 |
| | Fund Charges | (0.05) | (0.03) |
| | Employer contribution | 380.20 | 250.00 |
| | Benefit paid | (111.45) | (76.68) |
| | Fair Value of Plan Assets at the end of the year | **1975.37** | **1601.64** |
| **d)** | **Sensitivity Analysis:** | | |
| | Under Base Scenario | | |
| | Salary Escalation - Increase by 0.50% | 123.99 | 109.95 |
| | Salary Escalation - Decrease by 0.50% | (122.35) | (105.79) |
| | Discount Rates - Increase by 0.50% | (112.85) | (103.76) |
| | Discount Rates - Decrease by 0.50% | 122.35 | 108.67 |
| **e)** | **Actuarial assumptions:** | | |
| | Mortality Table | IALM 2012-2014 | IALM 2012-2014 |
| | Discount Rate (per annum) | 7.36% | 7.18% |
| | 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% |

**34.2 Disclosure regarding employee benefits** ₹ in Lakhs

| Actuarial Valuation of Leave Encashment Liability | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| **(a) Defined Benefit Cost :** | | |
| Current Service Cost | 152.08 | 125.96 |
| Interest Expense on Defined Benefit Obligation (DBO) | 52.23 | 48.00 |
| Defined Benefit Cost included in Profit and Loss | **204.31** | **173.96** |
| Remeasurements - Due to Financial Assumptions | (16.00) | (30.61) |
| Remeasurements - Due to Experience Adjustments | 136.22 | 104.91 |
| **Defined Benefit Cost included in Other Comprehensive Income** | **120.22** | **74.30** |
| **Total Defined Benefit Cost in Profit and Loss and OCI** | **324.53** | **248.26** |
| **(b) Movement in Defined benefit liability:** | | |
| Opening Defined Benefit Obligation | 727.44 | 706.94 |
| Interest Expense on Defined Benefit Obligation (DBO) | 52.23 | 48.00 |
| Current Service Cost | 152.08 | 125.96 |
| Total Remeasurements included in OCI | 120.23 | 74.30 |
| Less: Benefits paid | (230.44) | (227.75) |
| **Closing benefit obligation** | **821.54** | **727.45** |
| Current Liabilities of Closing benefit obligation | 148.44 | 158.24 |
| Non-Current Liabilities of Closing benefit obligation | 673.10 | 569.20 |
| | **821.54** | **727.44** |
| **(c) Sensitivity Analysis:** | | |
| **Under Base Scenario** | | |
| Salary Escalation - Increase by 0.50% | 42.79 | 42.86 |
| Salary Escalation - Decrease by 0.50% | (46.34) | (39.42) |
| Discount Rates - Increase by 0.50% | (45.44) | (38.79) |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

| Actuarial Valuation of Leave Encashment Liability | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Discount Rates - Decrease by 0.50% | 42.17 | 42.53 |
| **(d) Actuarial assumptions:** | | |
| Mortality Table | IALM 2012-2014 | IALM 2012-2014 |
| Discount Rate (per annum) | 7.36% | 7.18% |
| 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% |
| Leave Availment Rate | 4.00% | 4.00% |

**34.2** Amount incurred as expense for defined contribution to Provident Fund is ₹814.06 lakhs (Previous Year ₹715.91 lakhs).
The foregoing information related to Parent Company.

## 35 Finance Cost

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Interest Expense * | 1957.72 | 1007.24 |
| Interest on lease liability | 384.13 | 397.17 |
| Other Borrowing Cost | 6.13 | 3.59 |
| **Total** | **2347.98** | **1408.00** |

* Finance Cost capitalized during the year ₹585.81 lakhs (Previous year ₹28.90 lakhs ).

## 36 Depreciation & Amortisation Expense

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Depreciation of Property, Plant & Equipment * | 4776.31 | 4398.36 |
| Depreciation (Right of Use) | 1255.38 | 1201.75 |
| Amortisation of Intangible Assets | 293.00 | 249.47 |
| | **6324.69** | **5849.57** |

* Depreciation capitalized during the year ₹30.89 lakhs (Previous year ₹ Nil ).

## 37 Other Expenses

₹ in Lakhs

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Consumption of stores and spares | 1259.70 | 1250.45 |
| Power & Fuel | 7385.06 | 5392.81 |
| Rent | 298.62 | 154.26 |
| Legal & Professional Fees | 2160.62 | 1702.26 |
| Repairs & Maintenance | 1458.14 | 1252.58 |
| Repairs to buildings | 193.67 | 169.46 |
| Repairs to machinery | 744.15 | 769.09 |
| Insurance | 438.61 | 369.79 |
| Rates and taxes | 68.27 | 406.31 |
| Travelling expenses | 2695.70 | 1644.44 |
| Freight & delivery expenses | 3896.39 | 3224.98 |
| Export Expenses | 5821.15 | 5991.53 |
| Advertisement & Sales promotion | 10002.70 | 5625.38 |
| Auditors' Remuneration | 107.77 | 98.45 |
| Secretarial Auditor's Remuneration | 4.00 | 3.00 |
| Expenditure on CSR Activities | 203.00 | 201.02 |
| Bad Debts | 27.81 | 28.63 |
| Provision for Expected Credit Loss | 145.52 | - |
| Loss on Sale / Discard of Property Plant & Equipment | - | 86.56 |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

| | Year ended 31-03-2023 | Year ended 31-03-2022 |
|---|---|---|
| Directors' Sitting Fees | 39.10 | 38.90 |
| Independent Directors' Commission | 78.58 | 83.44 |
| Loss due to Fluctuation in Foreign Exchange Rates | 42.35 | - |
| Other General Expenses | 2920.99 | 2773.14 |
| | **39991.90** | **31266.47** |

**For expense capitalized during the year, pls refer note 1b**

## 38 Taxation

₹ in Lakhs

| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| **Tax Expense recognised in the Statement of Profit and Loss:** | | |
| Current Tax Expense | 4190.30 | 3183.30 |
| **Income Tax Expense** | **4190.30** | **3183.30** |
| Earlier Years Tax Expense | (637.86) | 68.72 |
| **Income Tax Expense including Earlier year tax** | **3552.44** | **3252.02** |
| Release of Deferred Tax | 54.42 | (396.55) |
| **Total Tax Expense in Statement of Profit and Loss** | **3606.86** | **2855.47** |
| **Reconciliation of Tax Expense recognised in the Statement of Profit and Loss:** | | |
| Profit before Tax as per Statement of Profit and Loss | 16410.82 | 11913.70 |
| Re-measurement gain/(loss) on defined benefit plans in OCI | (38.40) | 31.37 |
| Changes in Profit before tax due to Ind AS Transition | - | - |
| **Accounting Profit before Tax** | **16372.42** | **11945.07** |
| Applicable Income Tax rate | 25.17% | 25.17% |
| **Computed Tax expense** | 4120.61 | 3006.33 |
| Additional deductions under chapter VIA | (380.49) | (276.03) |
| Charity, Donation and CSR Expenses | 51.09 | 50.59 |
| Difference in book Depreciation and Depreciation as per IT Act | 359.72 | 391.91 |
| Others | (225.69) | (420.33) |
| Effect of Differential Tax rate under various jurisdiction | 265.06 | 242.63 |
| Earlier Years Tax Expense | (637.86) | 68.72 |
| Tax on Dividend Paid at Special Rate | - | 188.20 |
| Deferred Tax | | |
| Temporary difference on account of: | | |
| Property, plant and equipment and intangible assets | (132.32) | (216.52) |
| Other temporary differences | 177.08 | (172.14) |
| Deferred tax in Statement of Profit and Loss | **44.76** | **(388.66)** |
| Temporary difference of liabilities in other comprehensive income | 9.66 | (7.90) |
| Deferred tax in Total Comprehensive Income | **54.42** | **(396.55)** |
| Income Tax charged to Statement of Profit and Loss | 3606.86 | 2855.47 |
| **Income Tax charged to Statement of Profit and Loss** | **3606.86** | **2855.47** |

## 39 Earnings per share

₹ in Lakhs

| | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| **Calculation of weighted average number of equity shares of ₹1 each** | | |
| No of Shares at the beginning of the year | 120681870 | 120681870 |
| Total number of equity shares outstanding at the end of the year | 126992550 | 120681870 |
| Weighted average number of equity shares outstanding during the year | 125073412 | 120681870 |
| Net Profit (after tax, available for equity shareholders) (₹ in Lakhs) | 12842.15 | 9073.27 |
| **Basic earning per share** | 10.27 | 7.52 |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 40. 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, 2023

**Information about Business Segments - Primary**

₹ in Lakhs

| Reportable Segment | Laminate and allied products | | Veneer & Allied products | | Un Allocated | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| **REVENUE** | | | | | | | | |
| External Sales | 180259.06 | 150285.80 | 17116.56 | 14530.80 | - | - | **197375.62** | **164816.60** |
| Inter-segment Sales | - | - | - | - | - | - | **-** | **-** |
| Gross Sales | 180259.06 | 150285.80 | 17116.56 | 14530.80 | - | - | **197375.62** | **164816.60** |
| Other Operating Income | 4971.83 | 5341.21 | 248.35 | 182.60 | - | - | **5220.18** | **5523.81** |
| **Revenue from Operation** | **185230.89** | **155627.01** | **17364.91** | **14713.40** | **-** | **-** | **202595.80** | **170340.41** |
| **RESULT** | | | | | | | | |
| Segment Result | 30488.96 | 23771.86 | (962.29) | (1112.49) | - | - | **29526.67** | **22659.37** |
| Unallocated Corporate Expenses | | | | | 11504.69 | 9264.96 | **11504.69** | **9264.96** |
| **Operating Profit** | | | | | | | **18021.98** | **13394.41** |
| Less : Interest Expense | | | | | 2347.97 | 1408.00 | **2347.97** | **1408.00** |
| Add : Interest Income | | | | | 736.81 | 186.25 | **736.81** | **186.25** |
| **Profit before Exceptional Item and Tax** | | | | | | | **16410.82** | **12172.66** |
| **Exceptional Item** | | | | | | | **-** | **258.96** |
| Current Tax | | | | | | | **3552.44** | **3252.02** |
| Deferred Tax | | | | | | | **54.42** | **(396.55)** |
| **Profit after Tax** | | | | | | | **12803.96** | **9058.23** |
| **Other Comprehensive Income** | | | | | | | **533.64** | **221.45** |
| **Total Comprehensive Income for the year, net of Tax** | | | | | | | **13337.60** | **9279.68** |
| **OTHER INFORMATION** | | | | | | | | |
| Segment Assets | 89527.80 | 81046.34 | 23247.00 | 21779.05 | 92481.09 | 35596.67 | **205255.89** | **138422.06** |
| Segment Liability | 33875.73 | 30391.82 | 2807.01 | 2352.85 | 13135.10 | 3956.23 | **49817.84** | **36700.90** |
| Loan Fund | | | | | 56986.96 | 34526.38 | **56986.96** | **34526.38** |
| Deferred Tax Liabilities (Net) | | | | | 1555.87 | 1685.53 | **1555.87** | **1685.53** |
| Minority Interest | | | | | 32.27 | 69.92 | **32.27** | **69.92** |
| Shareholders' Funds | | | | | 96862.95 | 65439.33 | **96862.95** | **65439.33** |
| Total Liabilities | | | | | | | **205255.89** | **138422.06** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**Secondary Segment - Geographical by location of customers**

₹ in Lakhs

| Reportable Segment | Revenue | | Carrying Amount of Segment Assets | | Additions to Property Plant & Equipment | |
|---|---|---|---|---|---|---|
| | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| Within India | 108008.27 | 85885.13 | 195588.25 | 130921.78 | 46979.73 | 7639.64 |
| Outside India | 89367.35 | 78931.47 | 9667.64 | 7500.29 | 250.45 | 1071.80 |
| | **197375.62** | **164816.60** | **205255.89** | **138422.06** | **47230.18** | **8711.45** |

**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).

## 41 Related party disclosure, as required by Indian Accounting Standard-24, is as below:

List of related parties and relationship:

**a) Related parties with whom transactions have taken place during the year.-**

**Key Managerial Personnel**

i) Mr. Shiv Prakash Mittal, Non Executive Chairman
ii) Mr. Saurabh Mittal, Managing Director & CEO
iii) Mrs. Parul Mittal, Whole-Time Director
iv) Mr. Vijay Kumar Chopra, Independent Director (Cessation 10th August, 2022)
v) Ms. Matangi Gowrishanker
vi) Mr. Yogesh Kapur (Appointed as Independent Director on 12th August, 2021)
vii) Mr. Sandip Das, Independent Director
viii) Mr. Ashok Kumar Sharma, Chief Financial Officer
ix) Mr. Prakash Kumar Biswal, Company Secretary

**Enterprise over which key management personnel is having significant influence**

i) HG Industries Ltd. (formerly known as Himalaya Granites Ltd.)(till 2 Dec, 2021)
ii) Greenply Industries Ltd.
iii) Greenpanel Industries Ltd.
iv) Seema Realcon Pvt Ltd ( Brother of Mrs Parul Mittal is a Director in Seema Realcon Pvt Ltd.)
v) Greenlam Industries Employees Gratuity Trust
vi) SM Safeinvest Private Ltd.

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**41.2 Transactions during the year**

₹ in Lakhs

| Particulars | Key Managerial Personnel | | Enterprise over which key management personnel is having significant influence | |
|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Sale of Products** | | | | |
| Greenply Industries Ltd. | - | - | 10.70 | 50.10 |
| Greenpanel Industries Ltd | - | - | - | 19.21 |
| Seema Realcon Pvt Ltd | - | - | 10155.24 | 7907.82 |
| **Total** | **-** | **-** | **10165.94** | **7977.13** |
| **Purchase of Products** | | | | |
| Greenply Industries Ltd. | - | - | - | - |
| Greenpanel Industries Ltd | - | - | 1055.58 | 1067.18 |
| Seema Realcon Pvt Ltd | - | - | 6.56 | 3.17 |
| **Total** | **-** | **-** | **1062.14** | **1070.35** |
| **Sale of Assets (including Freight and GST)** | | | | |
| Seema Realcon Pvt Ltd | - | - | 0.30 | - |
| | **-** | **-** | **0.30** | **-** |
| **Commission (ORC Charges) and Reimbursement of Expenses** | | | | |
| Seema Realcon Pvt Ltd | - | - | 16.37 | 42.26 |
| Greenlam Employees Gratuity Trust | - | - | 0.39 | 0.28 |
| | **-** | **-** | **16.76** | **42.54** |
| **Contribution to Trust** | | | | |
| Greenlam Employees Gratuity Trust | - | - | 380.00 | 250.00 |
| | **-** | **-** | **380.00** | **250.00** |
| **Rent Paid** | | | | |
| HG Industries Ltd. | - | - | - | 35.70 |
| Greenpanel Industries Ltd | - | - | - | 0.25 |
| **Total** | **-** | **-** | **-** | **35.95** |
| **Acquisition of Shares *** | | | | |
| Mr. Saurabh Mittal | - | 1359.22 | - | - |
| Mrs. Parul Mittal | - | 22.54 | - | - |
| Mr Shiv Prakash Mittal | - | 10.03 | - | - |
| SM Safeinvestment Private Limited | - | - | - | 0.08 |
| | **-** | **1391.79** | **-** | **0.08** |
| **Remuneration** | | | | |
| Mr. Saurabh Mittal | 819.48 | 598.48 | - | - |
| Mrs. Parul Mittal | 443.40 | 359.90 | - | - |
| Mr Shiv Prakash Mittal# | 24.20 | 24.50 | - | - |
| Mr. Vijay Kumar Chopra# | 11.28 | 26.20 | - | - |
| Mr. Sandip Das# | 28.70 | 28.10 | - | - |
| Ms. Matangi Gowrishanker# | 26.40 | 27.20 | - | - |
| Mr. Yogesh Kapur# | 27.10 | 16.34 | - | - |
| Mr. Ashok Kumar Sharma | 141.52 | 128.64 | - | - |
| Mr. Prakash Kumar Biswal | 62.51 | 52.98 | - | - |
| | **1584.59** | **1262.34** | **-** | **-** |
| **Amount outstanding as at Balance Sheet date** | | | | |
| Trade Receivable | | | | |
| Greenply Industries Ltd. | - | - | 2.80 | 3.91 |
| Greenpanel Industries Ltd | - | - | - | 1.29 |
| Seema Realcon Pvt Ltd | - | - | 115.57 | 59.79 |
| **Total** | **-** | **-** | **118.37** | **64.99** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

₹ in Lakhs

| Particulars | Key Managerial Personnel | | Enterprise over which key management personnel is having significant influence | |
|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Trade Payable** | | | | |
| Seema Realcon Pvt Ltd | - | - | 10.00 | - |
| Greenpanel Industries Ltd | - | - | - | 7.46 |
| **Total** | **-** | **-** | **10.00** | **7.46** |
| **Reimbursement Payable** | | | | |
| Greenlam Employees Gratuity Trust | - | - | 0.39 | 0.28 |
| | - | - | **0.39** | **0.28** |
| **Remuneration Payable** | | | | |
| Mr. Saurabh Mittal | 555.00 | 334.00 | - | - |
| Mrs. Parul Mittal | 309.00 | 225.50 | - | - |
| Mr Shiv Prakash Mittal | 18.00 | 18.00 | - | - |
| Mr. Vijay Kumar Chopra | 6.58 | 18.00 | - | - |
| Mr. Sandip Das | 18.00 | 18.00 | - | - |
| Ms. Matangi Gowrishanker | 18.00 | 18.00 | - | - |
| Mr. Yogesh Kapur | 18.00 | 11.44 | - | - |
| **Total** | **942.58** | **642.94** | **-** | **-** |

# Including sitting fees and commission

**Terms and conditions of transactions with related parties**

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

The guarantees given to related party is made in the ordinary course of business and on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act.

## 42 Contingent liabilities and Commitments

₹ in Lakhs

| | 31-03-2023 | 31-03-2022 |
|---|---|---|
| (to the extent not provided for) | | |
| **Contingent liabilities** | | |
| **(a) Claims against the company not acknowledge as debt:** | | |
| (i) Indirect tax cases in dispute | 18.56 | 199.97 |
| (ii) Direct tax cases in dispute | 1806.69 | 1109.50 |
| (iv) Other Cases | 23.64 | 23.64 |

**Notes**:

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/ authorities. The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company doesn't expect the outcome of these proceedings to have a materially adverse effect on its financial position.

₹ in Lakhs

| | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **(b) Others:** | | |
| Letters of Credit established but Goods not received | 1663.81 | 3446.91 |
| **Commitments** | | |
| (a) Estimated pending Capital contract ( Net of Advance) | 53704.78 | 25330.24 |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 43 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.

### 43.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change of market interest rate

**Fixed and Variable interest on Borrowings sensitivity analyses.** ₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Fixed Rate Instruments | | |
| Financial Liability * (NCD) | 770.22 | 67.53 |
| Variable Rate Instruments | | |
| Financial Liability | 1187.50 | 939.71 |
| | **1957.72** | **1007.24** |

* Refer Note 17.3

**Interest Rate Sensitivity**

The Following table demonstrate the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Interest Rate Increase by 50 basis point | (300.56) | (123.13) |
| Interest Rate decrease by 50 basis point | 300.56 | 123.13 |

### 43.2 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.

### 43.3 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 Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Purchase (Hedging of Trade Payables) | 1510.74 | 1425.44 |

**Unhedged Foreign Currency Exposures:** ₹ in Lakhs

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Trade Payables | 7955.20 | 8999.98 |
| Trade Receivables | 7802.56 | 8258.61 |
| Amount Payable to Capital Vendor | 775.04 | - |
| Foreign Currency Loan | 4560.35 | - |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**43.4 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 categorizes a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

Financial assets where Life time Expected Credit Losses (ECL) is used: ₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Trade Receivables | 14661.36 | 13097.22 |
| Less : Expected Credit Loss | 231.35 | 86.33 |
| Trade Receivables | **14430.01** | **13010.89** |

**43.5 Liquidity Risk**

Liquidity Risk is the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's corporate finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are reviewed by the Board of Directors. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure , as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**March 31, 2023** ₹ in Lakhs

| Particulars | On Demand | Not Due | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total |
|---|---|---|---|---|---|---|
| **Non-derivative** | | | | | | |
| Trade payables | - | 21047.68 | 5858.38 | 62.14 | - | 26968.19 |
| Borrowings | 18623.45 | - | 3124.27 | 35239.24 | - | 56986.96 |
| **Other financial liabilities** | | | | | | |
| Interest Accrued but not due on borrowings | - | 95.89 | - | - | - | 95.89 |
| Trade Deposits | - | - | - | - | - | - |
| Lease Liability | - | - | 1552.56 | 3314.01 | 949.86 | 5816.43 |
| Other Financial Liabilities | - | - | 2616.55 | 168.61 | - | 2785.16 |
| Total | **18623.45** | **21143.57** | **13151.75** | **38783.99** | **949.86** | **92652.63** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

**March 31, 2022**

₹ in Lakhs

| Particulars | On Demand | Not Due | Less than 1 Year | More than 1 year to 5 year | More than 5 year | Total |
|---|---|---|---|---|---|---|
| Non-derivative | | | | | | |
| Trade payables | - | 18809.70 | 6771.13 | - | - | 25580.83 |
| Borrowings | 16234.62 | - | 2497.47 | 15794.29 | - | 34526.38 |
| Other financial liabilities | | | | | | |
| Interest Accrued but not due on borrowings | - | 67.99 | - | - | - | 67.99 |
| Trade Deposits | - | - | - | - | - | - |
| Lease Liability | - | - | 1412.17 | 3468.43 | 377.42 | 5258.02 |
| Other Financial Liabilities | - | - | 1704.43 | 124.44 | - | 1828.87 |
| **Total** | **16234.62** | **18877.69** | **12385.20** | **19387.16** | **377.42** | **67262.09** |

## 44 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 maximize 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 Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Net Debt | 31199.65 | 16885.94 |
| Total Equity (net of intangible assets) | 95409.12 | 64252.10 |
| Debt/Equity Ratio | **0.33** | **0.26** |

## 45 Accounting classifications and fair values.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loans from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable.

Level 3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data."

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Financial assets at amortised cost- Level 3:** | | |
| Investments | 1.25 | 1.25 |
| Loans - Non-current | - | - |
| Trade Receivables (Non Current) | 131.42 | 108.53 |
| Trade Receivables | 14298.59 | 12902.36 |
| Cash and Cash Equivalents | 1591.62 | 1570.84 |
| Bank Balances other than above | 37.97 | 7.56 |
| Loans - Current | 53.56 | 50.14 |
| Investments (Current) (Bonds) | 17481.70 | - |
| Other Financial Assets (Current) | 73.56 | 159.48 |
| Other Financial Assets (Non Current) | 452.09 | 337.04 |
| | **34121.76** | **15137.20** |

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Financial assets at fair value through profit and loss:** | | |
| Derivative - current - Level 2 | - | 73.21 |
| Investments (Current) (Mutual Fund) | 6713.99 | 16069.59 |
| | **6713.99** | **16142.80** |
| **Total Financial Assets** | **40835.75** | **31280.00** |
| **Financial liabilities at amortised cost:** | | |
| Borrowings - Non-current | 35239.24 | 15794.29 |
| Lease Liabilities - Non-current | 4263.87 | 124.44 |
| Lease Liabilities - Current | 1552.56 | 3845.85 |
| Other Financial Liabilities - Non-current | 168.61 | 1412.17 |
| Borrowings - Current | 21747.72 | 18732.09 |
| Trade Payables | 26968.19 | 25580.83 |
| Other Financial Liabilities - Current | 2711.24 | 1772.42 |
| | **92651.43** | **67262.09** |
| **Financial Liabilities at fair value through profit and loss:** | | |
| Derivative - current - Level 2 | 1.20 | - |
| | **92652.63** | **67262.09** |

## 46 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 Lakhs

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Opening Balance | 6184.88 | 9151.71 |
| Addition during the Year | 1701.66 | 786.62 |
| Termination during the Year | 188.54 | 662.69 |
| Depreciation Charged | 1120.79 | 3090.76 |
| Closing Balance * | 6577.21 | 6184.88 |
| Cash Flow for leases | 1582.46 | 914.06 |
| Lease liabilities | 5816.43 | 5258.02 |

* RTU includes Land RTU of ₹1488.22 lakhs (previous year ₹1510.19 lakhs) and Building RTU of ₹5089 lakhs (previous year ₹4674.69 lakhs)

**b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:**

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| 0-1 year | 1552.56 | 1412.17 |
| 1-5 year | 3314.01 | 3468.43 |
| More than 5 year | 949.86 | 377.42 |

**c.** The Group has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹298.62 Lakhs (Previous Year ₹154.26 Lakhs)associated with these lease.

*d.* The Group has recognised Interest expenses of ₹415.95 Lakhs on Lease Liabilities during the year.(Previous Year ₹421.69 Lakhs)

**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.

# Notes to Consolidated Financial Statement for the year Ended 31 March, 2023

## 47 Distribution made and proposed dividend

₹ in Lakhs

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Cash dividend on equity shares declared and paid** | | |
| Final dividend for the year ended on 31 March 2022: | | |
| ₹1.20 per share (on face value of ₹1 each) (31 March 2021: ₹5, on face value of ₹5 each) | 1448.18 | 1206.82 |
| **Total dividend paid** | **1448.18** | **1206.82** |
| **Proposed dividend on Equity shares** | | |
| Final dividend for the year ended on 31 March 2023 | | |
| ₹1.50 (on face value of ₹1 each) (31 March 2022: ₹1.20, on face value of ₹1 each) | 1904.89 | 1448.18 |
| **Total dividend proposed** | **1904.89** | **1448.18** |

48 During the year, Holding Company got favorable order from Hon'ble ITAT Guwahati for AY 15-16, which has resulted in tax benefit of ₹674.11 lakhs. Holding Company has claimed education cess paid in AY 2019-2020, due to change in Income Tax Act, company has offered tax of ₹36.25 lakhs for disallowance of said education cess.

These transactions have been disclosed under income tax of earlier years for ₹637.86 lakhs (Net) in Statement of Profit and Loss.

## 49 Other Statutory Information

(i) All the borrowings of the group are used for the specific purpose for which it was taken.

(ii) Quarterly returns or statements of Current assets filed by the holding company with banks/financial institution are in agreement with books of accounts

(iii) The Group is not a wilful defaulter as declared by any bank or financial Institution or any other lender.

(iv) The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(v) There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period

(vi) The Holding company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Group has not traded or invested in Crypto currency or Virtual Currency during the year.

50 During the year , Management identified one instance of misappropriation of stock by one employee involving amount of ₹6.67 Lakhs. The company has terminated the service of such employee and initiated legal proceedings.

51 The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

As per our report of even date attached

**For S S Kothari Mehta & Company**
Chartered Accountants
ICAI Firm Reg. No. 000756N

**Naveen Aggarwal**
Partner
Membership No. 094380

Place of Signature : New Delhi
Dated : 27th May, 2023

For and on behalf of Board of Directors of
**Greenlam Industries Limited**
CIN: L21016DL2013PLC386045

**Saurabh Mittal**
Managing Director and CEO
(DIN : 00273917)

**Ashok Kumar Sharma**
Chief Financial Officer

**Parul Mittal**
Wholetime Director
(DIN : 00348783)

**Prakash Kumar Biswal**
Company Secretary & VP - Legal

# Corporate Information

{As on May 27, 2023}

## Board of Directors

Mr. Shiv Prakash Mittal, Non-Executive Chairman
Mr. Saurabh Mittal, Managing Director & CEO
Ms. Parul Mittal, Whole-time Director
Mr. Sandip Das, Independent Director
Ms. Matangi Gowrishankar, Independent Director
Mr. Yogesh Kapur, Independent Director
Mr. Rahul Chhabra, Independent Director

## Audit Committee

Mr. Yogesh Kapur, Chairman
Mr. Sandip Das
Mr. Saurabh Mittal
Ms. Matangi Gowrishankar
Mr. Rahul Chhabra

## Nomination, Remuneration & Compensation Committee

Mr. Sandip Das, Chairman
Ms. Matangi Gowrishankar
Mr. Shiv Prakash Mittal

## Stakeholders' Relationship Committee

Mr. Shiv Prakash Mittal, Chairman
Mr. Saurabh Mittal
Mr. Yogesh Kapur

## Corporate Social Responsibility Committee

Ms. Matangi Gowrishankar, Chairperson
Mr. Saurabh Mittal
Ms. Parul Mittal
Mr. Sandip Das
Mr. Rahul Chhabra

## Risk Management Committee

Mr. Saurabh Mittal, Chairman
Ms. Parul Mittal
Mr. Sandip Das
Mr. Yogesh Kapur
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 (At Group Level)

HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
RBL Bank Limited
State Bank of India
Citibank N.A.
International Finance Corporation (IFC)
Landesbank Baden-Württemberg (LBBW)
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

## Debenture Trustee

Axis Trustee Services Limited
Branch Office: 2nd Floor, Plot No. 25,
Pusa Road, Karol Bagh, New Delhi-110005
Email id: compliance@axistrustee.co.in

## 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 & Corporate Office

2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District,
New Delhi-110037, India
CIN: L21016DL2013PLC386045
Phone No.: +91-11-42791399
Fax No.: +91-11-42791330
Email: investor.relations@greenlam.com
Website: www.greenlamindustries.com

## Manufacturing facility (At Group Level)

- Behror, Rajasthan
- Nalagarh, Himachal Pradesh
- Prantij, Gujarat
- Naidupeta, Andhra Pradesh*
- Tindivanam, Tamil Nadu*

*upcoming facilities

www.greenlamindustries.com

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