

Greenlam/2016-17  
August 26, 2016

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**BSE Limited**  
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BSE Scrip Code: **538979**

NSE Symbol: **GREENLAM**

**Sub: Annual Report for the Financial Year 2015-16**

Dear Sir/ Madam,

Pursuant to the Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report of the Company for the Financial Year 2015-16 duly approved and adopted by the Members of the Company, at the 3<sup>rd</sup> Annual General Meeting held on August 24, 2016 at the Registered office of the Company Makum Road, Tinsukia, Assam-786 125.

Kindly acknowledge receipt.

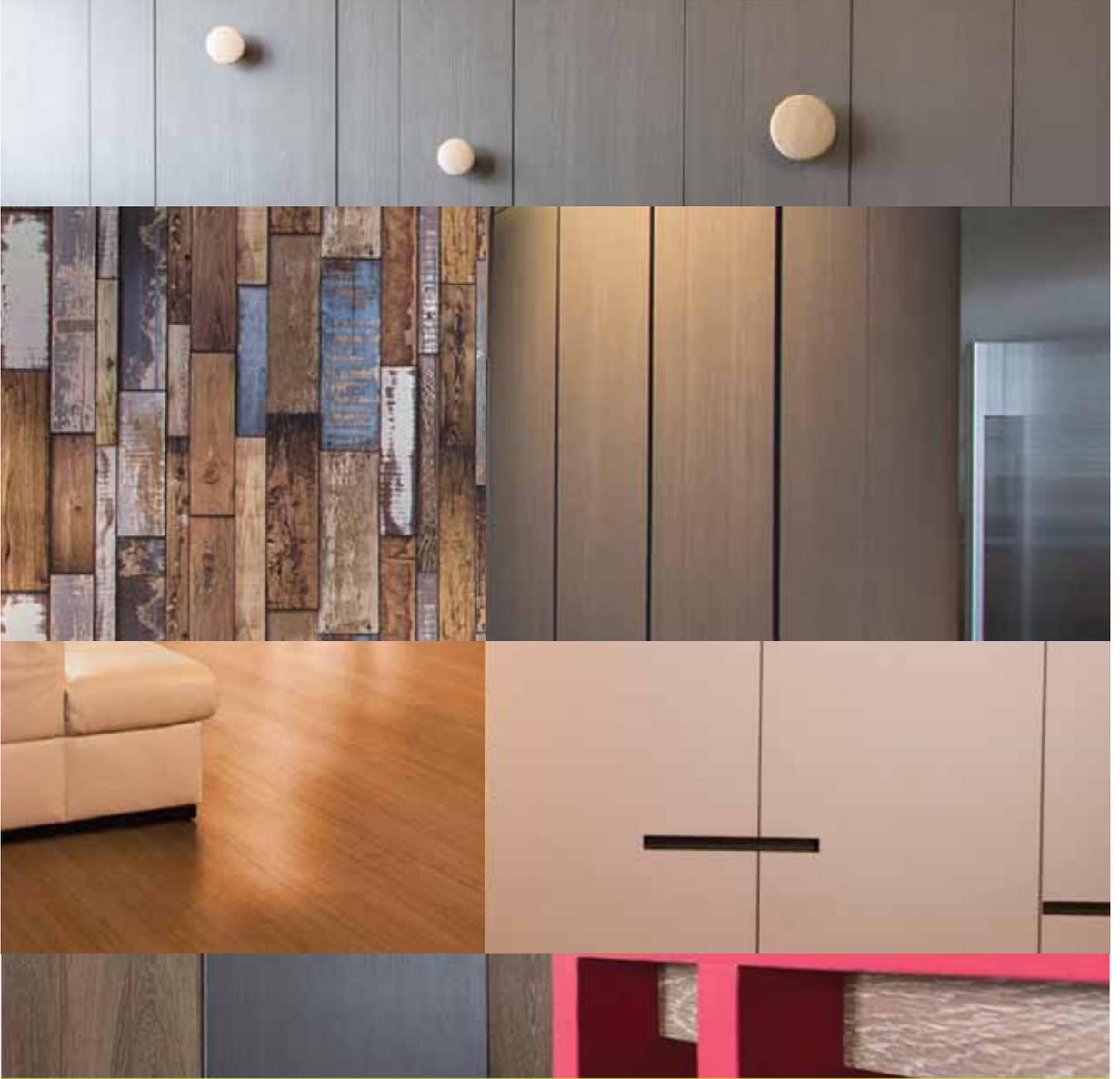
Thanking You,  
Yours faithfully,

For **GREENLAM INDUSTRIES LIMITED**



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





exciting

**Caution regarding forward-looking statements**

This document contains statements about expected future events and financial and operating results of Greenlam Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Greenlam Industries Limited annual report 2015-16.

All product stories have been derived from credible research and represent the broad sentiment of our customer ecosystem.

**Disclaimer:** As the composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited under Section 100 to 104 and Section 391 to 394 of the Companies Act, 1956, for demerger of the 'Decorative Business' of Greenply Industries Limited to Greenlam Industries Limited, approved by the Hon'ble Gauhati High Court vide its order dated October 31, 2014, became effective on November 17, 2014 (appointed date April 1, 2013), the unaudited figures for the financial year 2013-14 are given in the non-statutory section only with the objective to provide the reader with a comparison.

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# Corporate Information

As on 27.05.2016

## Board of Directors

Mr. Shiv Prakash Mittal, Non-Executive Chairman  
Mr. Saurabh Mittal, Managing Director & CEO  
Ms. Parul Mittal, Director- Design & Marketing  
Mr. Vijay Kumar Chopra- Independent Director  
Ms. Urvasi Saxena- Independent Director  
Ms. Sonali Bhagwati Dalal- Independent Director

### Audit Committee

Mr. Vijay Kumar Chopra,  
Chairman  
Ms. Urvasi Saxena,  
Ms. Sonali Bhagwati Dalal  
Mr. Saurabh Mittal

### Nomination & Remuneration Committee

Mr. Vijay Kumar Chopra,  
Chairman  
Mr. Shiv Prakash Mittal  
Ms. Urvasi Saxena

### Stakeholders Relationship Committee

Mr. Shiv Prakash Mittal,  
Chairman  
Mr. Saurabh Mittal

### Corporate Social Responsibility Committee

Mr. Saurabh Mittal, Chairman  
Mr. Shiv Prakash Mittal  
Ms. Parul Mittal  
Ms. Sonali Bhagwati Dalal

### 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. D. Dhandaria & Company  
Thana Road, P.O. Tinsukia,  
Assam -786125

Bankers/  
Financial  
Institutions



IDBI Bank Limited  
State Bank of India  
ICICI Bank Limited  
HDFC Bank Limited  
CITI Bank NA.  
Standard Chartered Bank  
Federal bank Limited  
IDFC Bank Limited

Registrar &  
Share Transfer  
Agent



Link Intime India Private Limited  
44, Community Centre, 2nd floor  
Naraina Industrial Area, Phase-1  
Near PVR Naraina, New  
Delhi-110028  
Ph. no. 011-41410592  
Fax no.011-41410591

Registered  
Office



Makum Road, Tinsukia,  
Assam - 786 125  
CIN: L21016AS2013PLC011624

Corporate  
Office



1501-05, Narain Manzil,  
23, Barakhamba Road,  
New Delhi 110001, India.  
Ph. No.: 011-42791399,  
Fax No.: 011-42791330  
Email:investor.relations@greenlam.com  
Website: www.greenlamindustries.com

Manufacturing  
facility



- Behror, Rajasthan
- Nalagarh, Himachal Pradesh

Our journey so far.

1992  
Foundation stone of first laminate unit laid at Behror, Rajasthan

1993  
Commercial production and export of laminates

2002  
Commenced commercial production of decorative veneer

2006  
First overseas subsidiary in Singapore

2008  
Second overseas subsidiary in the US

Second laminate unit at Nalagarh commenced commercial production

2009

Highest exporter of laminates from India (for six consecutive years)

Asia's largest laminates company

World's third largest laminates brand

2010  
2011

Decorative division demerger approved by the Board of Directors (September)

2013

Commenced commercial production of engineered wooden flooring and melamine faced chipboards at Behror

Demerger approved by the Hon'ble High Court of Gauhati (October)

Demerger became effective post filing of order of Hon'ble High Court of Gauhati with concerned Registrar of Companies (November)

2014

Listed on the NSE and BSE (March)

Commenced the business of engineered door solutions

Operationalized the enhanced laminates capacity

2015



## What

do you say when a company begins to report profitable growth in a challenging slowdown?



## What

do you say when a company reports quarter-on-quarter growth during a sluggish market?



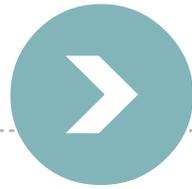
## What

do you say when the company has already started repaying debt before its business has been significantly scaled?



## What

do you say when a youthful enterprise is fully invested to address an impending economic rebound?



## What

do you say when a company is able to increase capacities attractively at optimal capital expenditure?

## Exciting

because the truly valuable companies thrive in sluggish markets.

## Exciting

because we believe that the most valuable companies have small Balance Sheets and large profits; we are headed in that direction.



## Exciting

because we are either a leader or in the top three of each of our various product segments when the game is just about beginning.

## Exciting

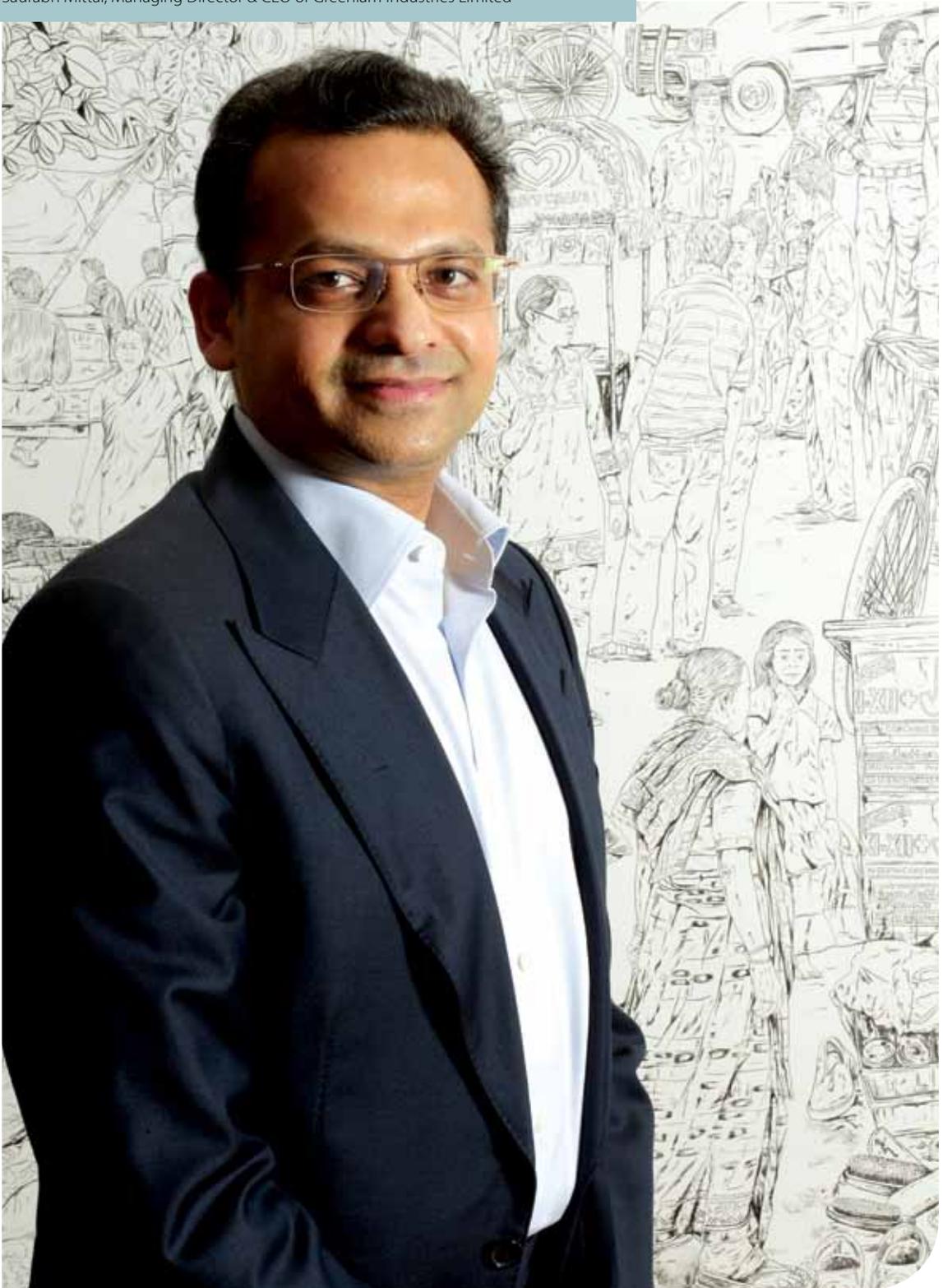
because we have commenced our journey in building a valuable company.

# exciting

# Q&A

with the Managing Director & CEO

Saurabh Mittal, Managing Director & CEO of Greenlam Industries Limited





What was the big take-home from the company's performance in 2015-16?

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The biggest take-home is that there was just about everything in the external environment that should technically have led to a slowdown in our performance – weak real estate sales and tentative consumer spending – and yet in its first full year in existence, Greenlam reported quarter-on-quarter growth in revenues and profits. Revenues of ₹217.0 cr in the first quarter of 2015-16 increased to ₹230.1 cr in the second to ₹240.9 cr in the third and ₹248.7 cr in the fourth. Correspondingly, our post-tax profit strengthened from ₹6.4 cr in the first quarter to ₹9.2 cr in the second to ₹11.7 cr in the third to ₹13 cr in the fourth. On the aggregate side, the company reported a 10.9% growth in revenues and a 51.5% rise in its profit after tax in 2015-16, translating into profitable growth.

## What could be the driver of profitable growth in this challenging environment?



Just one reason - we are different. We are not a commodity company; we are into the business of design and surface solutions with a focus on enhancing the look and feel of interiors. We do not make and market me-too products; we deliver customized solutions. We are not into the usual segment where any product will do; we provide the performance assurance of a trusted brand. We are not into a sell-and-forget mode of customer engagement; we are into

providing comprehensive solutions that enable us to engage with our customers throughout the relationship lifecycle. We do not just market; we address the entire business chain comprising sampling, marketing, unique showroom experience and making something that is benchmarked around global standards. We are not into a large picture focus; we focus on small details. The results began to show in our 2015-16 numbers.

## What are some of the business imperatives that contributed to the outperformance?



The Greenlam brand. When you market to primary customers (the trade), what they need is a brand that can provide them with the complete product experience – not a company that can provide a limited patchwork of select products from within a large umbrella but someone who can provide the complete product range across price segments. This is Greenlam's principal scoring point: we provide the complete range of surfacing products – wood-based, panels or laminates – and within each, the complete range of thicknesses, sizes and designs. The result is a complete solution. If the end consumer can dream it, there is a likelihood that we will have it. The result is that our ability to capture any upturn in demand is better; more importantly, we are better placed to create demand and capture a large slice of consumer interest. It is this ability to excite and monetise that excitement that translated into improved numbers during the year under review.

We also strengthened our innovation engine that translated into the development of customized products (digital and customized laminates, Unicore laminate, ASD laminate, anti-bacteria laminate, anti-finger print laminate, digital veneers, pre polished veneer panels, HD veneers, customized factory finished engineered doors and a wide variety of engineered wood flooring with European technology, brought for the first time to India) that helped complete our bouquet of value-added products. We also focus significantly on training and the result is that we possess a highly skilled and motivated team that is geared to provide nearly 100% defect-free material, strengthening customer experience, trust and reliability.

## Where is the market place optimism coming from?



The market place optimism is clearly coming from an interiors revolution that we are seeing in the country. Over the last decade, some remarkable developments have transpired: more urban homes have been added across the country; a large number of these urban homes have been in gated communities; these homes are larger than the homes that the

new residents earlier lived in; these homes are also set in upmarket environments; the cost of upscale interiors as a proportion of the apartment cost is modest; most of these home owners have graduated to mid-to-premium interiors; most of them require brands that they can see and trust (as opposed to anonymous imports); most do not just seek a product but an installed

SLUGGISH MARKETS ARE GENERALLY A TIME WHEN REVENUES AND PROFITS ARE MUTED. AT GREENLAM, DESPITE THIS CHALLENGING ENVIRONMENT, WE HAVE ALREADY BEGUN TO REPORT THE FIRST OF WHAT WE FEEL WILL BE A MULTI-YEAR PERIOD OF PROFITABLE GROWTH.

solution. Besides, the country's commercial real estate space is witnessing increasing buoyancy and so is the development of

hospitality assets, retail chains, schools and institutions, among others. At Greenlam, we are one of the most attractive proxies of this

transformation, the result of which is beginning to get visible in our financials.

### What are some of the features of the Company's working that you would like shareholders to appraise?



**One**, we delivered on most promises. We said we would add a new business (Engineered Door plant in 2015-16); we did so on schedule. We said we would increase capacities for the laminates business; we delivered on time. We indicated the margins that we would like to achieve; we ended higher. The net result is that we demonstrated management capability and business quality in a challenging year.

**Two**, we are fully invested in genres, plants, products, product depth, capacities, capabilities, infrastructure and market presence. A number of companies only gradually graduate to this point after a number of years in the business; we took a calculated decision to proactively invest in organization-building because we acquired the scale. This indicates

that we are now at a take-off point with attractive operating leverage. During the last financial year 2015-16, even before the market had strengthened, we reported a 10.9% growth in revenues, outperforming the broader sector. This represents a validation of our proactive strategic investment. As soon as the economy rebounds, we are likely to move even faster because we have our building blocks in place.

**Three**, we have a distinctive brand identity: a brand name associated with trust, reliability, quality and transformation. We address the growing needs of a specific clientele and we are bringing a science into the understanding of this clientele, translating into corresponding products and services – a complete solution. The result that you see in our margins - improved EBIDTA margin by 220 bps to 13.2% – is without the impact of scale that will transpire when the economy revives, representing a quiet optimism about our prospects.

**Four**, it would be reasonable to expect that a company that would have invested extensively in building capabilities during a downturn and waiting for a revival would possess a stretched Balance Sheet. This is where Greenlam is different; we have been completely expensed in the last few years

in building our business and the result is that we began to moderate our debt in 2015-16 even before the economy had revived (normally this happens during buoyant markets). We believe that with all our products now having been launched, our working capital cycles will become shorter, strengthening our fiscal efficiency. The larger cash flows that we expect to generate during the current financial year are likely to be deployed in repaying debt and strengthening our capabilities.

**Five**, sluggish markets are generally a time when revenues and profits are muted. At Greenlam, despite this challenging environment, we have already begun to report the first of what we feel will be a multi-year period of profitable growth marked by a percentage growth in profits exceeding percentage growth in our topline, which is the mark of a fundamentally right-sized company.

## Where is your optimism derived from?



There are a number of realities that indicate that we are at the cusp of an attractive inflection point.

Let us take the sectoral reality first. India is moving faster from unorganized to organized sector products. There is a growing mindset that it would be better paying a bit more and get complete product assurance than buying into a local product with relatively no guarantee. This is more visible in interiors products with a high cost (tangible and experiential) of replacement. Besides, the proposed imposition of GST will narrow the cost differential between organized branded players like us and unorganized players, enhancing our competitiveness. My understanding is that once this tax reform is introduced, switchover from the consumption of unorganized will be quicker, strengthening our

outperformance.

Now come to why we are optimistic of Greenlam in particular.

- Even as we are number one in India's organised laminates market (of a total laminates market of ₹46 bn), we account for only 12% of laminate market share; we account for only 6% of veneer market share (total size ₹20 billion that includes natural, teak and engineered veneers); even as we are a leader in the country's natural veneers industry (total size Rs.8 billion) we account for a mere 12% share with attractive headroom.
- We possess an integrated manufacturing facility that can customize products and deliver with speed. Even as we are among the top three in laminates business in the world, we have reinforced global competitiveness and are adequately placed to grow our international presence further.
- In the engineered wood flooring market, we counter imports with ready product availability and implementation service – a complete solution.
- We have extended into door solutions, which is the future. Engineered doors, are among the first instances of organized branded companies creating new organized market niches still largely the preserve of private carpenters, liberating home owners from the inconvenience

of having a carpenter sit in one's home and build a door for days.

- Since we are a manufacturer with an entrenched local presence, our ability to service the market needs on a priority basis, our quick complaint handling and resolution ability, on-shelf product availability and our capability to service large orders in the shortest timeframes put us in an advantageous position over other players.
- Greenlam is attractively placed to offer its diversified product basket for the B2B segment, combining quantities with range and standards.
- Greenlam is setting up a trade network in the B2C segment by targeting trade partners supplying building materials to mid- and small builders, its products specified by architects and designers for large projects (hotels, BPOs, hospitals and housing).
- As the world's third largest laminates brand, Greenlam already enjoys an extensive presence across more than 100 countries, creating a foundation for broad-based growth across the foreseeable future – a large operating leverage.
- And lastly, when viewed in the national context, we are still a small company with around only ₹1,000 cr in revenues, which represents a large multi-year growth opportunity.

## Our manufacturing process discipline

- Almost 70% of our laminate production was weighted towards superior and enduring higher thickness laminates even as most companies focus on lower thickness laminates.
- Introduced a gloss plate polishing machine for improving

product quality and shrinking service timeframes leading to higher sales and profitability.

- Introduced rotary cutters in outfeed end of impregnators for precision and increased productivity.

- Moderated water consumption per unit of laminate produced by more than 10%.

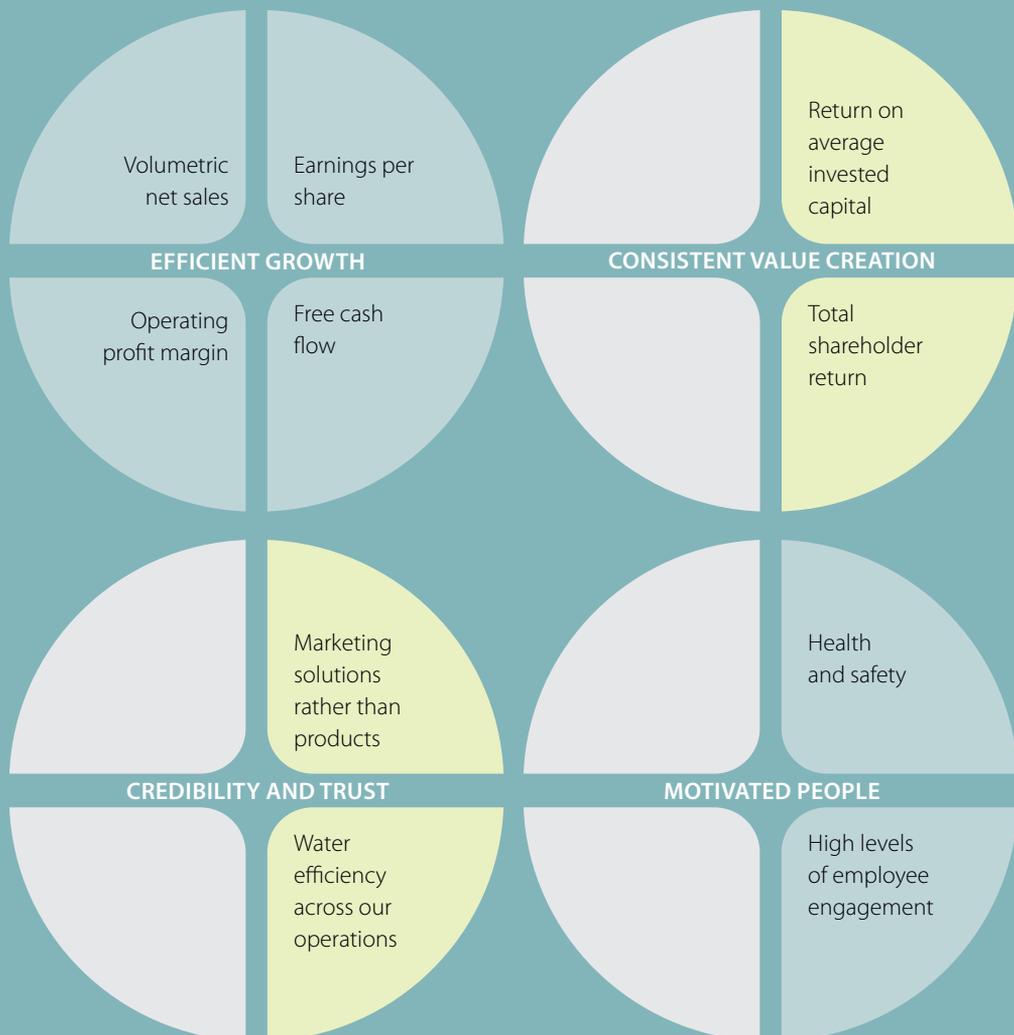
- Invested in developing new products through extensive R&D and catering to dynamic customers requirements.

# Our performance ambition

At Greenlam, our performance ambition is to create one of the most profitable laminates and surfacing material enterprise globally and remain a one-stop destination for all customer needs within our chosen segments.



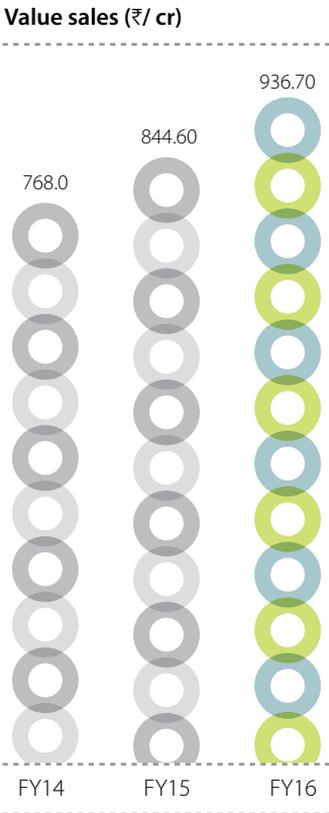
# Measuring our performance ambition





How we  
outperformed  
in 2015-16

### Higher value sales



10.90%

Value sales growth,  
2015-16

**Definition**

Net sales growth.

**Why we measure**

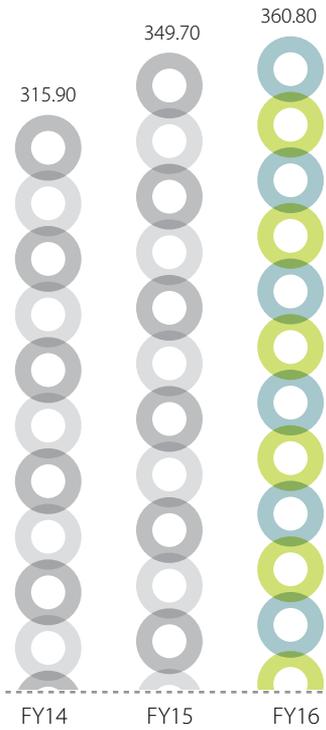
This measure reflects the result of our capacity to understand market needs and service them with corresponding manufacture, relevant brands, dealer engagement and supply chain – virtually the entire supply chain.

**Performance**

Our aggregate sales (inclusive excise duty) increased 10.90% to ₹936.70 cr in FY 16, which compared favourably with the country's interior infrastructure sector and was dovetailed with the 7.6% growth in the national economy (2015-16).

## Exports

### Export revenues (₹/ cr)



₹360.80 cr

Export revenues,  
2015-16

#### Definition

This highlights the quantum of exports of the company's revenues.

#### Why we measure

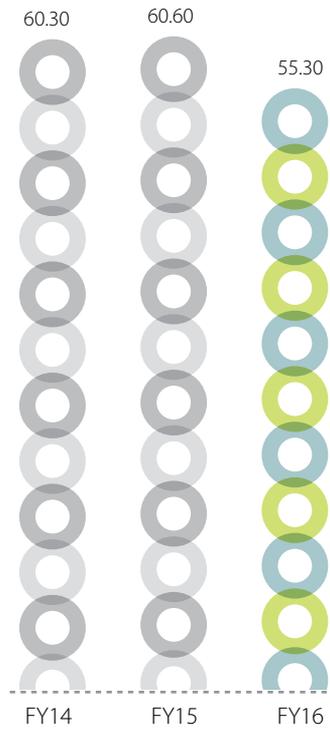
Export represents growing global appeal, international product benchmarking, wider responsiveness to demand upturn and the ability of the company to de-risk from a downturn in any one (or few) geography.

#### Performance

The exports in the company's overall revenues has increased 3.20% to ₹360.80 cr in FY16.

## Raw material costs

### Raw material cost as % of total revenues



530 bps

Raw material cost decline  
as a % of turnover,  
2015-16

#### Definition

This is derived through the computation of raw material cost as a percentage of overall revenues.

#### Why we measure

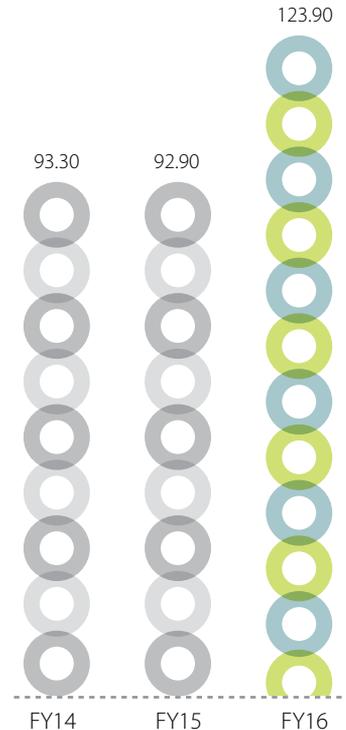
Raw material costs represent the highest cost component in the company. Any moderation in these costs can enhance profitability and competitiveness.

#### Performance

The company's raw material intensity declined from 60.60% in FY15 to 55.30% in FY16 through enhanced realizations and material efficiency.

## Operating profit

### Operating profit (₹/ cr)



33.40%

Operating profit growth,  
2015-16

#### Definition

What the company earned before the deduction of interest, depreciation, extraordinary items and tax.

#### Why we measure

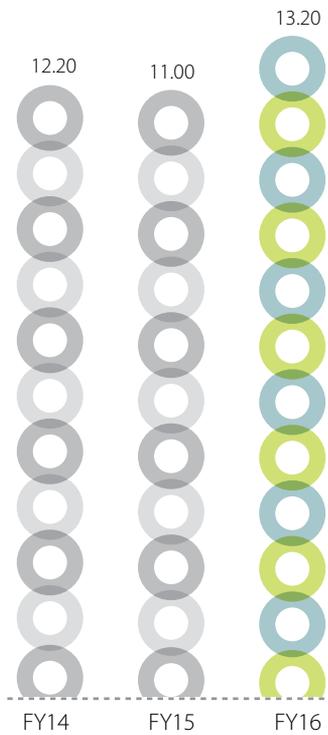
This measure is an index of the company's operating profitability (as distinct from financial), which can be easily compared with sector peers.

#### Performance

The company reported a 33.40% increase in its operating profit in FY 16, an appreciable increase. This was the result of prudent brand positioning, capacity investments, widening product breadth and depth.

## Operating margin

### Operating profit margin %



220 bps

Operating profit margin growth, 2015-16

#### Definition

The movement in percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the company's revenues.

#### Why we measure

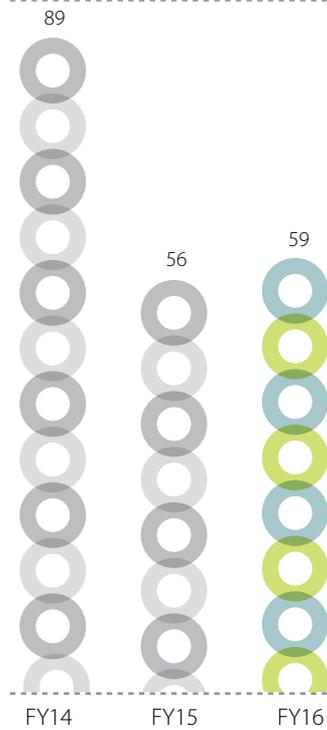
This movement essentially indicates whether the business is becoming more efficient or not. Greenlam is focused on a consistent increase in operating margins.

#### Performance

The company reported a 220 bps increase in operating profit in FY 16. This was the result of higher efficiencies across the business.

## Working capital cycle

### Net working capital (days of turnover equivalent)



59 days

Working capital cycle (in days of turnover equivalent), 2015-16

#### Definition

This metric is derived through a division of the total capital employed by the working capital quantum.

#### Why we measure

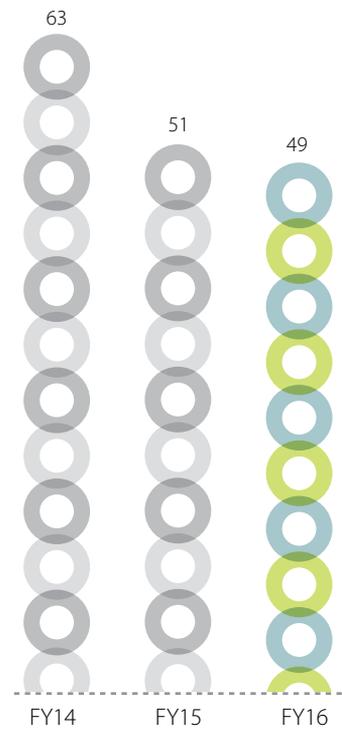
In a cash-stressed world, this metric indicates efficiency in working capital management, which represents the key to enhanced profitability.

#### Performance

The company's working capital cycle as a proportion of turnover has marginally increased to 59 days in FY 16 from 56 days in FY 15.

## Receivables

### Receivables (days of turnover equivalent)



2 days

Decline in outstanding (in days of turnover equivalent), 2015-16

#### Definition

This is derived through the calculation of the number of days that the company's receivables are outstanding (in terms of turnover-equivalent).

#### Why we measure

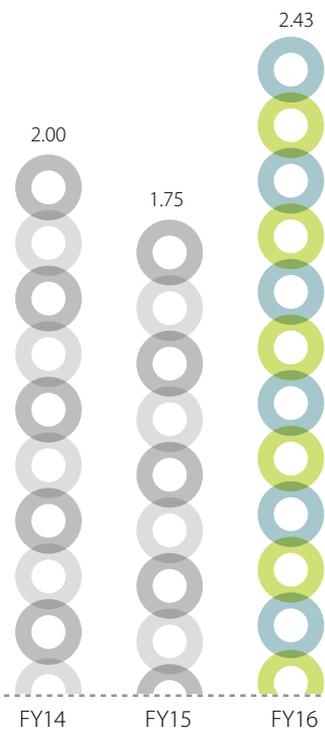
Receivables represent a fair index of the strength of a company's brand. The lower the receivables (in terms of days of turnover equivalent), the better for the Company.

#### Performance

The company enjoys one of the tightest receivables in the industry, moderating outstandings from 51 days in FY15 to 49 days in FY16.

## Debt service coverage

### Debt service coverage ratio



2.43x

Debt service coverage,  
2015-16

#### Definition

The debt service coverage ratio is derived by dividing net operating income less interest on working capital by total annual interest and principal payment on term debt.

#### Why we measure

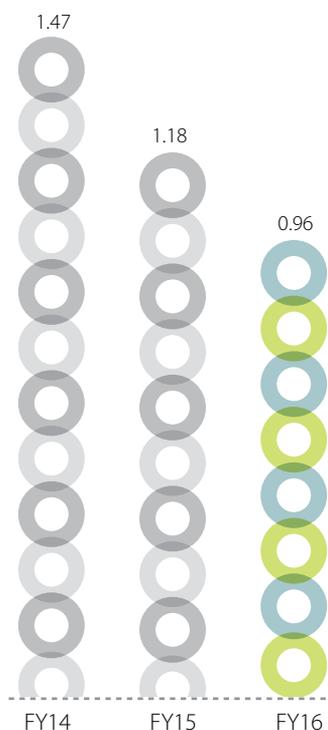
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model to generate enough cash to cover our term debt and interest payment.

#### Performance

The company's debt service cover has increased to 2.43 in 2015-16, indicating strengthening business model and growing ability to service debt obligations.

## Gearing

### Debt-equity ratio



0.96x

Debt-equity ratio,  
2015-16

#### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

#### Why we measure

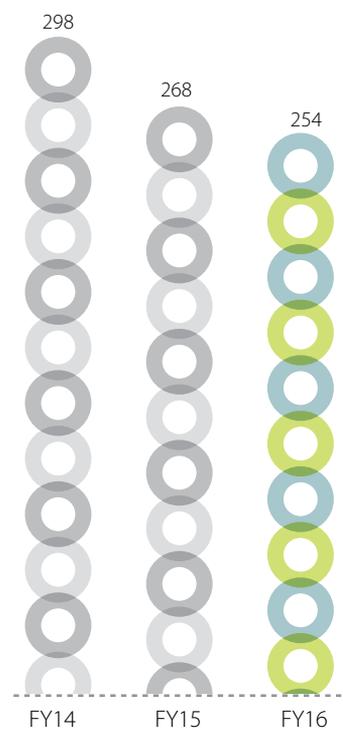
This is a defining measure of a company's health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

#### Performance

The company's gearing moderated from 1.18 in FY 15 to 0.96 in FY16.

## Debt optimisation

### Total debt (₹/ cr)



5.22%

Reduction in debt,  
2015-16

#### Definition

This is a Balance Sheet metric.

#### Why we measure

The reduction indicates effective debt management practices at our Company and strong cash conservation.

#### Performance

The Company's indebtedness has consistently declined over the past three years despite capacity expansion and new product launches.



Excitement  
and Brand  
Greenlam.

## GREAT BRANDS POSSESS A DISTINCT PERSONALITY.

With the power to transform spaces into talking points, our portfolio consists of multiple brands and sub-brands positioned across the mid-to-premium market segments.

## GREAT BRANDS ARE UNIQUE.

Greenlam is India's only integrated manufacturer of decorative surfacing products.

## GREAT BRANDS LEAD.

Greenlam is the third largest laminates producer in the world and leads the country's decorative veneers segment.

## GREAT BRANDS ARE NEVER STOCKED OUT.

Greenlam possesses the largest capacity in decorative veneers, decorative laminates and engineered wood flooring.

## GREAT BRANDS ENHANCE CONSUMER CONVENIENCE.

Greenlam widened its product basket – from veneers and laminates to engineered wood flooring and engineered doors.

## GREAT BRANDS EXTEND BEYOND PRODUCTS TO SOLUTIONS.

Greenlam provides the entire value chain from product sale to implementation solution.

## GREAT BRANDS MAKE IT CONVENIENT TO BUY.

Greenlam was available in more than 12,000+ dealers, distributors and retailers, pan-India.

## GREAT BRANDS ARE MULTINATIONAL.

Greenlam products were available in more than 100 countries.

## GREAT BRANDS OUTPERFORM.

Greenlam grew revenues 10.9% even as its broad sector grew only 5 to 6%.

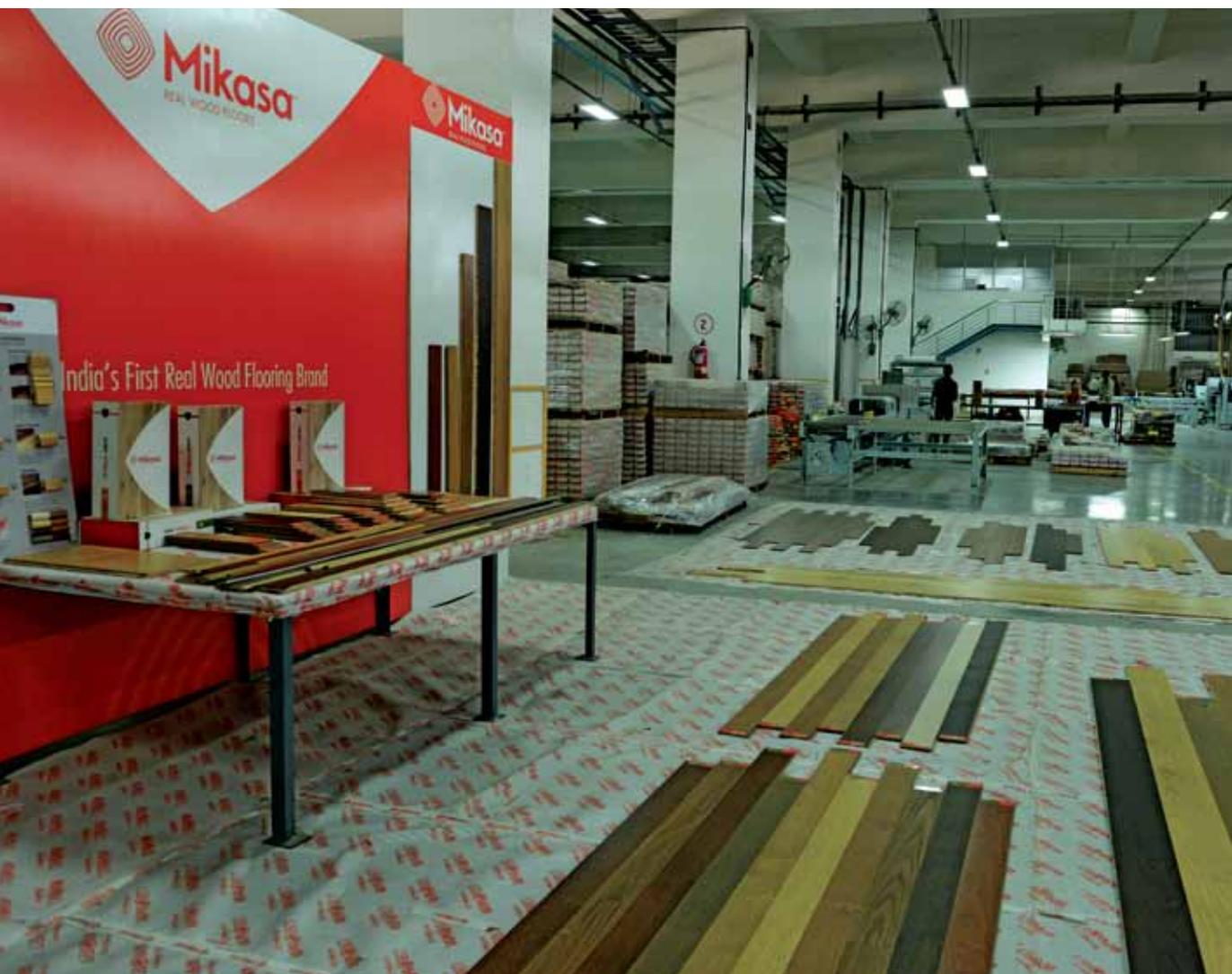
## GREAT BRANDS LEAD CONSUMERS INTO ADJACENT BUSINESS SPACES.

Greenlam is India's only manufacturer of engineered wooden flooring and engineered doors at a national level.

## GREAT BRANDS HAVE A PRODUCT FOR EVERY NEED.

Greenlam widened its product range across different quality, thickness, application, décor and colours, sizes and price points.







13.2%

Up by  
220 bps

EBIDTA  
margin

---

Brand Greenlam and outperformance

---

ROCE

17.0%

Up by  
470 bps

This is Greenlam

The **largest** range of laminates.

The **largest** range of veneers.

The **largest** range of engineered wooden floors.

The **largest** range of engineered doors.

Our brand promise

**Trust** among our customers.

Transformational **power** of the brand with its assurance of product design, **quality and style**.

## IN OUR BUSINESS, THE TYPICAL CUSTOMER RESPONSE TO A WIDE PRODUCT RANGE IS 'WOW!'

At the heart of this consumer response lies distinctive R&D commitment.

The result is that Greenlam is the country's largest laminates brand with a wide range of 2,500+ decors in 50+ textures. We launch several new products each year, graduating us into an innovation hub.

The result is that we are the largest manufacturers of high pressure laminates in the Indian surface panel industry complemented by the largest range of designs based on the latest trends and more than 80 different finishes.

The result is that we

manufacture the largest range and the deepest niche. Across sizes, colours, finishes and textures. Suiting every need, budget and application.

The result is that our average realizations increased 5.5% to ₹634 per sheet of laminate in 2015-16 even as sectoral realizations stayed sluggish.

The result is that we manufacture around the highest certifications – Greenguard Certification certifying indoor air quality and product safety in schools; Anti-Bacterial Certification, CE Certification, Greenlabel Certification, NFS and FSC.

The result is that we pioneer the launch of a number of customized products: anti-bacterial laminates, HD gloss laminates, digital laminates, chemical-resistant compact laminates (used in laboratories), chalk grade laminates, marker laminates, fire-retardant laminates, anti-static laminates, digital veneer, exterior façade laminates (clads) and engineered wood floors and engineered doors.

The result is that the country's laminates segment grew 4-5% in 2015-16; Greenlam laminates revenues grew 7% over the previous year.

In today's markets,  
Greenlam has  
emerged as a widely  
preferred choice for  
surface and interior  
solutions.

## GREENLAM LAMINATES HAVE FOR LONG BEEN DISTINGUISHED AROUND DURABILITY, VARIETY AND PREMIUM-NESS.

Because Greenlam has widened its price appeal; the Company's NewMika, a price warrior brand that is positioned strategically to compete with competitive brands on price front and addresses the growing needs of price-conscious consumers.

Because the Greenlam's Decowood veneer brand is India's largest selling decorative veneers brand.

Because this Decowood brand has celebrated the best in wood - sourced from the most celebrated 200 wood species round the world including Wenge, mahogany and oak - by transforming it into art.

Greenlam's Mikasa brand (Latin for 'Your home, my home') cover the

door and flooring brands. Mikasa doors are built with strength and durability refined with contemporary and decorative finishes. Unlike traditional doors, Mikasa doors offer superior factory-finished products that are designed to meet even the most stringent specifications. Mikasa's Real Wood floors are the only in the country to offer 100% wood-based flooring solutions that are not only striking in aesthetics but also more durable and easy to maintain.

The result is that there is a premium-ness attached to the Greenlam brand on account of trust and quality, differentiating us in a competitive market.



## GREENLAM BRINGS TO INDIA'S LAMINATES SECTOR A DIFFERENTIATED COMMITMENT.

For one, Greenlam has progressively invested to emerge as the world's third largest laminates brand (by manufacturing capacity). The company has responded with

the widest range of high-volume products, making it virtually impossible for a consumer to not find what one is looking for. The result: when a consumer seeks a

laminates product, the first brand that comes unaided to mind is 'Greenlam'.

### Our leadership

Product	Installed capacity per annum	Status
Laminates and compact laminates	12.02 mn sheets	Largest in Asia
Decorative veneers	4.20 mn sq. m	Largest in India
Melamine faced chipboard – MFC	2.00 mn sq. m	Complements the laminates and allied products range
Engineered wood flooring	1.00 mn sq. m	India's first and only manufacturer
Engineered doors**	0.12 mn doors	India's first and only manufacturer at a national level

\*\* Operations commenced in September 2015

At Greenlam Industries, our two state-of-the-art manufacturing facilities are located in Behror, Rajasthan, and Nalagarh, Himachal Pradesh.





## Plant-wise capacities

Location	Product	Installed capacity per annum
Behror, Rajasthan	Laminates	5.34 mn sheets
Behror, Rajasthan	Decorative veneers	4.20 mn sq. m
Behror, Rajasthan	Melamine faced chipboard (MFC)	2.00 mn sq. m
Behror, Rajasthan	Engineered wood flooring	1.00 mn sq. m
Behror, Rajasthan	Engineered doors	0.12 mn doors
Nalagarh, Himachal Pradesh	Laminates and compact laminates	6.68 mn sheets

At Greenlam, we have spread our capacities across two modern plants to address the growing needs of diverse markets. Even as 2015-16 remained challenging, Greenlam pursued its resolution to enhance its laminates capacity by 2 mn sheets per annum at the Nalagarh plant (peak annual revenue potential of ₹120 crore).

Besides, Greenlam enjoys an attractive start-up advantage; most of its plants have

been invested at attractive costs; these properties possess an aggregate land bank that supports phased expansions.

Besides, these capacity commissioning have been carried out with speed and economy. For instance, the company strengthened relationships with equipment suppliers to moderate equipment costs and leveraged low-cost accruals to fund capital expenditure. The result is that our





laminates production cost features in the lowest industry quartile, making it possible to stay competitive across market cycles.

By the virtue of its scale, Greenlam procures large raw material quantities around attractive volume-based discounts. Its deep understanding of manufacturing processes has helped moderate wastage

and enhance quality. Its presence in geographies enjoying abundant labour has helped scale the business and moderate wage costs.

These enduring strengths have aggregated into Greenlam's sustainable competitive advantage.

### Consistent cost management, 2015-16

Quarter	Manufacturing costs as a percentage of turnover
April – June	67.4%
July – September	64.9%
October – December	63.6%
January – March	62.7%
Full year 2015-16	64.6%

After running our laminates plants at 107%\* utilization, most said 'enough!

'Greenlam's managers said wait, we intend to scale volumes by another 10%.

Without additional capex, if you please!

\* On annualized basis

## IN A MANUFACTURING BUSINESS WARRANTING LARGE SCALE, EFFECTIVE CAPACITY UTILIZATION REPRESENTS THE CRITICAL DIFFERENCE BETWEEN COMPETITORS.

At Greenlam, we do not just possess adequate product capacity, we also enjoy attractive unused capacity (operating leverage) that can empower us to immediately enhance production without a corresponding increase in capital expenditure.

When this transpires, the benefit of incremental revenue translates directly to the bottomline, strengthening free cash flows and margins.

Greenlam delivered capacity utilization of 107%\* for its laminates and compact laminates beyond

rated capacity during the year under review. A 50% incremental capacity can be achieved without significant capex, strengthening overall profitability. Besides, the 20% laminates capacity addition (2 mn sheets per annum) at the Nalagarh plant in 2015-16 for ₹20 crore can potentially generate annual revenues of ₹120 crore with corresponding tax exemptions.

Greenlam is the only company in the country to engage in the manufacture and marketing of Engineered wood floors under the 'Mikasa' brand. With an annual

demand of 2 mn sq. m in India, Mikasa is positioned to effectively substitute imports.

Overall, with higher capacity utilization rates that will ramp volumes of mass and value-added products, coupled with an industry-wide 2-3% growth in average realisations, the volume-value play will enable the company to grow topline. Moreover, with key raw material prices expected to remain benign during the current, the concurrent positive impact on profitability will be the most visible in 2016-17.

\* On annualised basis



GREENLAM IS A SECTORAL LEADER NOT ONLY DUE TO ITS MANUFACTURING MUSCLE BUT ALSO ITS DISTRIBUTION NETWORK. SIMPLY STATED, THE COMPANY POSSESSES THE WIDEST AND LARGEST SALES AND DISTRIBUTION NETWORK FOR LAMINATES AND ALLIED PRODUCTS. THE RESULT: 'ANYWHERE, ANYTIME' PRODUCT AVAILABILITY.

Greenlam Industries' pan-India presence is characterized by nine company-owned large regional distribution centres. Add to this, 32 branches, more than 500 sales professionals and 12,000+ distributors, dealers and retailers. Even as Greenlam is only into its

second year in existence (post-demergers), it is already a global corporate citizen. In addition to India, Greenlam is present in more than 100 countries. Besides 5 company-operated warehouses, the company has 11 international offices (including 3 wholly-owned

subsidiaries in Singapore, USA and United Kingdom). Almost 6% of its workforce is based overseas, drawn from the regions of its presence. The result: a Greenlam product is marketed every 3 seconds somewhere in the world.

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## Distribution muscle

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5

The number of seconds across which a Greenlam product is sold in India



15

Nationalities of people working in Greenlam Group



75

The annual revenue (₹/ cr) generated by leading 10 Greenlam laminate dealers, 2015-16

Products



Hero product

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# Floored by a Greenlam laminate!





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A REPUTED INTERIOR ARCHITECT FROM DELHI VISITED THE MILAN INTERNATIONAL FAIR AND GOT A STRONG SENSE OF IDEA ON THE DIRECTION OF GLOBAL COLOUR TRENDS ETC.

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But something made her stop. Completely.

So when Greenlam launched its new laminate collection in 2015-16, she was amazed to see that it was completely futuristic in terms of the colour palette, design direction etc.

Though she had planned to import the laminates that she saw at the fair for a couple of her clients, she now could just walk into a neighbourhood dealer outlet and buy the products off the shelf!

Hero product

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# Turning the corner with Greenlam post-forming laminates





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A REPUTED INDIAN OEM WAS  
FACING PROBLEMS WITH OTHER  
BRANDS IN PRODUCT QUALITY AND  
SERVICEABILITY.

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So when a Greenlam representative approached him and asked him to try the product in his machine, he accepted the proposition though he appeared skeptical. The result was outstanding.

The post-formability of the product was excellent which led to higher yield for the customer in terms of reduced wastages and improved quality of the finished product. He also got an advantage of buying the matching laminate and MFC from Greenlam as a one-stop solution.

Today, even if he needs a customized product, Greenlam is the only reliable company that he turns to!

Hero product

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# All the way to the top with Greenlam countertop laminates





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A RENOWNED U.S. INTERIOR SURFACING RETAILER WAS AMAZED THAT AN INDIAN COUNTERTOP LAMINATES BRAND COULD BE A PREFERRED PRODUCT IN HIS CATCHMENT.

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This is not without reason. Greenlam countertop laminates are high-performance laminates especially manufactured for horizontal applications. Today, these products are also widely available in the U.S., Europe, Africa and Asia.

Hero product

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# The next-generation laminate - Greenlam HD Gloss laminate





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GLOSS FINISH IS IN FASHION . HD GLOSS LAMINATES ARE SPECIALLY INTRODUCED TARGETING KITCHEN AND WARDROBE SEGMENT FROM THE APPLICATION PERSPECTIVE. THE BEAUTY OF THE PRODUCT IS ITS GLOSS SHEEN , AND DURABILITY. THIS COLLECTION IS MANUFACTURED THROUGH A SPECIAL TECHNOLOGY.

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Mir Zafar Hamid encountered laminates hundreds of times every day without realizing they were there. Until, one day, when Mrs. Zafar's eyes were caught by images in an interiors magazine.

Greenlam's HD Gloss laminate. Ah the glossy sheen. And highly durable too.

Today, Mrs. Zafar is proud to show her kitchen countertop to visitors!

Hero product

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# Redefining interiors with Greenlam's Decowood Digital Veneer





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DIGITAL VENEER ARE HIGH QUALITY,  
DIGITALLY-PRINTED AND CUSTOMISED  
LAMINATES.

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Mr. and Mrs. Barmecha were about to redesign their Balewadi home.

Through word-of-mouth they found their way to the Greenlam showroom.

She narrowed her choice to Decowood Digital Venner and discovered that these were customizable. So she located the best photograph from her honeymoon in Mauritius, got it printed on her selected veneer and had it put on her favourite bedroom wall!

Hero product

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# Stay global with Decowood Veneers





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AT GREENLAM, WE SOURCE  
DECORATIVE VENEERS, A NATURAL  
PRODUCT, FROM ACROSS THE GLOBE.

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We are proud of the fact that a customer visited us and mentioned that her abode is truly global, in step with her chic style.

And why not?

So while Walnut, Zara and Zebrano are sourced from Africa, Oak and Rosewood are located from the US and European markets and teak is brought in from Burma!

Hero product

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# Opening doors to new possibilities with Mikasa Doors and Frames





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DR. ANIRBAN ROY WANTED A  
CUSTOMIZED DOOR SOLUTION FOR  
HIS DIAGNOSTIC CENTRE.

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His search yielded one result. Mikasa.

Mikasa's superior quality doors and matching frames came as a unique cohesive unit. A far cry from the carpentry of yore when doors and frames would be made separate and hand-finished on site.

Mikasa was pre-lacquered to endure. Mikasa was designed to prevent the spread of fire and smoke; ideal to resist high radiation; designed to moderate sound.

Finesse plus functionality.

Dr. Roy had just opened the door to wider possibilities.

Hero product

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# A walk down memory lane on Mikasa Real Wood Floors





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## LHENDUP DORJI DREAMT OF A SUMMER HOLIDAY AT THE GLENBURN TEA ESTATE IN DARJEELING.

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The high ceilings, deep verandahs and wooden floors.

He desired to replicate this aesthetic at home.

Enter Mikasa.

Mikasa proved to be a delightful amalgamation of a vast product range, ease of installation and natural beauty.

Each wood plank was a work of art. Each wood piece naturally beautiful. Each product equipped with the latest technology.

Mikasa Pristine, the new benchmark for wooden floorings expressed stylishness in exquisitely crafted detail. Mikasa Arbor, the premium collection of 15-millimetre flooring was a head-downer. Mikasa Atmos brightened any room in which it was installed.

Lhendup simply couldn't walk away from this deal.

# Beyond the surface - our core strengths

Addressing emerging needs proactively

## The background

India is the world's fastest-growing economy. This growth is reflected in a nationwide increase in disposable incomes.

## Our approach

It is imperative to be prepared for emerging consumption trends and drivers.

## The result

We are not merely playing an existing game; we are transforming it. We are not just expanding the market; we are creating new ones.

Innovating continuously

## The background

The home decor business is volume-driven and thin-margin.

## Our approach

Greenlam has prudently invested in brand building to protect margins from cyclical and erosion.

## The result

Greenlam enjoys a 19% share of the organised market for laminates and 12% share of the organised market for veneers.

Widening our product portfolio

## The background

India is sitting at the cusp of a consumption revolution. Home pride has assumed enduring relevance due to technological breakthroughs and access ease.

## Our approach

Greenlam enhanced capacity and widened its product mix,

representing a one-stop solution for all surfacing needs.

## The result

Greenlam increased laminate realisations by 5% in 2015-16; it significantly enhanced value-added product sale in just 4 years.

Fostering out more choices

## The background

The cost of laminate as a proportion of the total apartment or office ownership cost is negligible.

## Our approach

Greenlam initially addressed price-conscious middle-class consumers but has progressively reoriented its product mix to address premium interior décor needs.

## The result

Greenlam accelerated the launch of premium brands, translating into value-addition and growth higher than the sectoral growth average.

Expanding our footprint

## The background

At Greenlam, we believe it is important to be present across the world to be recognized as a leader in the industry.

## Our approach

Greenlam extended its presence to more than 100 countries.

## The result

The Company's international sales accounted for 38.5% of revenues in 2015-16. Greenlam's manufacture of ancillary products accounted for a larger customer wallet share.

## Optimising debt

### The background

A decline in capital spending complemented by increased cash flows can minimise debt or enhance capacity.

### Our approach

Greenlam is nearing the end of its significant capital expenditure programme taken during the last

three years. Nearly ₹250 crore expansion (capacity and portfolio) was expenses by the close of 2015-16.

### The result

The Company has created adequate production capacity to capitalise on an imminent economic rebound.

## Achieving complete qualitative consistency

### The background

An uncompromising quality focus (raw material purchase to packaging) is critical for surviving in what is seen as a design business.

### Our approach

Greenlam is a trendsetter in the niche home décor market based on its ability to map market preferences and offer relevant designs. Greenlam's state-of-the-art Nalagarh and Behror manufacturing

plant are compliant with relevant certifications.

### The result

Greenlam possesses India's largest decorative veneers capacity of 4.2 million square metres per annum. Greenlam is also the largest producer of decorative laminates in the country.

## Making the country self-sufficient

### The background

Until 2013, India's engineered wood flooring demand was addressed through imports.

### Our approach

In 2014, Greenlam commissioned engineered wood flooring production capacity for the first time

in India (Mikasa brand).

### The result

Greenlam has transformed the country's flooring industry by offering a resilient wooden flooring that can be laid conveniently.

## Addressing longstanding unmet needs

### The background

For long, old carpentry-based door-making prevailed (door and frame made separately and hand finished on site).

### Our approach

Mikasa Doors are built with strength and durability and refined with contemporary and decorative finishes. Unlike traditional doors,

Mikasa Doors offer superior factory-finished doors designed to meet any specification.

### The result

Greenlam is the first Indian company to manufacture engineered door solutions (annual capacity about 120,000 door sets and door leaves).

## Pursuing eco-friendliness

### The background

Stringent regulations against deforestation and raw material import needs have shrunk manufacturing profits. Increasing environmental concerns have affected the laminate and wood flooring markets.

### Our approach

Greenlam is an environmentally-

responsible company that minimizes resource use and pollution.

### The result

Made of paper, laminates typically have a low environmental impact. Also, the wood used to make the wooden floorings are derived from sustainably-managed forests.

# Directors' Report

FOR THE FINANCIAL YEAR 2015-16



## Dear shareholders,

Your Directors have the pleasure in presenting the 3rd Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016.

## Financial Highlights

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2015 - 16	2014 - 15	2015 - 16	2014 - 15
<b>Profit before Finance Cost, Depreciation &amp; Amortisation Expenses and Tax Expenses</b>	<b>12,426.95</b>	<b>9,256.15</b>	<b>12,961.21</b>	<b>9,206.55</b>
Less: a) Finance Costs	2,776.69	2,684.04	3,224.81	3,018.77
b) Depreciation & Amortisation Expenses	3,151.25	3,018.62	3,497.02	3,338.01
<b>Profit before Tax</b>	<b>6,499.01</b>	<b>3,553.49</b>	<b>6,239.38</b>	<b>2,849.77</b>
Less: Provision for taxation	2,465.23	891.98	2,468.56	915.28
Less: Minority Interest	-	-	0.56	1.27
<b>Profit for the year</b>	<b>4,033.78</b>	<b>2,661.51</b>	<b>3,770.26</b>	<b>1,933.22</b>
Add: Balance brought forward from previous years	6,065.54	(0.80)	5,654.01	(0.80)
Add: Amount adjusted pursuant to the Scheme of Arrangement	-	3,718.59	-	4,035.35
Less: Adjustment of depreciation on reassessment of useful lives of the tangible assets	-	68.51	-	68.51
Less: Foreign Currency Translation adjustment	-	-	949.58	-
<b>Amount available for appropriation</b>	<b>10,099.32</b>	<b>6,310.79</b>	<b>8,474.69</b>	<b>5,899.26</b>
<b>Appropriations:</b>				
Proposed dividend on Equity Shares	241.36	120.68	241.36	120.68
Tax on distribution of dividend	49.14	24.57	49.14	24.57
Transferred to General Reserve	400.00	100.00	400.00	100.00
<b>Balance carried to Balance Sheet</b>	<b>9,408.82</b>	<b>6,065.54</b>	<b>7,784.19</b>	<b>5,654.01</b>

## Operations and State of Affairs of the Company

During the year 2015-16, your Company posted an excellent performance with moderate growth of 10.89% in total revenue to ₹93,812.22 lacs as against ₹84,602.10 lacs in the previous year and a stellar growth of 51.56% in profit to ₹4,033.78 lacs from ₹2,661.51 lacs in the previous year. This performance is particularly noteworthy when viewed against the backdrop of the challenging business environment in which this was achieved, namely, weak real estate sales and subdued consumer sentiments.

During the year 2015-16, your Company recorded a growth of 5.23% in export turnover from ₹31,002.12 lacs to ₹32,624.18 lacs and export incentive decreased from ₹3,974.67 lacs to ₹3,454.81 lacs.

As per the consolidated financial statements, total revenue and the profit after tax for the year 2015-16 stood at ₹1,03,257.25 lacs and ₹3,770.26 lacs, respectively.

The overall performance of the Company during 2015-16, amid a challenging economic scenario, vindicates the effectiveness of the initiatives undertaken



by the Greenlam Management so as to better exploit business opportunities.

During the year 2015-16, your Company intensified its efforts in the area of product integration and market penetration. Your Company continued to expand its export markets for Laminates, Veneers and Engineered Wood flooring.

### Dividend

Your Directors recommend a final dividend of ₹1.00 per equity share (previous year ₹0.50 per equity share) on the Company's 2,41,36,374 Equity Shares of ₹5.00 each for 2015-16. The final dividend on the Equity Shares, if declared as above, would entail an outflow of ₹241.36 lacs towards dividend and ₹49.14 lacs towards dividend tax, resulting in a total outflow of ₹290.50 lacs.

### Outlook and Expansion

The Company's outlook remains favourable on account of its product integration capabilities, growing brand popularity and the continuous support from its employees, shareholders, creditors, consumers, distributors, dealers and lenders. The Company's vision is to be a one-stop solution for all decorative surface products (in its field of operation). The Company's pan-India distribution network ensures easy availability of products in almost every part of India. The Company has a presence in over 100 countries, either directly or through its overseas subsidiaries.

During the year 2015-16, your Company has commenced the commercial production of Engineered Door Sets and Door Leafs at Company's manufacturing unit in Behror, Rajasthan. With an installed capacity to manufacture 1,20,000 engineered door sets and door leafs per annum across various sizes, thicknesses, designs and specifications, the Company has become the first organised company to launch engineered, factory finished, door solutions in the country.

Further, during the period under review, the expanded capacity for manufacturing Laminates at the unit of the Company at Nalagarh, Himachal Pradesh, has become operational. With capacity to manufacture additional 2.00 million laminate sheets per annum the installed capacity for laminate has become 12.02 million laminate sheets per annum. The said expansion has the potential to generate revenue of ₹120.00 crore per annum on full capacity utilization.

Your Directors are confident of achieving significantly better results in the coming year.

### Credit Rating

Your Company has been reaffirmed "CARE A" and "CARE A1" in respect of its Long Term Facilities of ₹230.50 crores and Short Term Banking Facilities of ₹255.00 crores respectively by Credit Analysis and Research Ltd. (CARE). Your Company has also been assigned "CARE A / CARE A1" for Long term / Short Term Banking Facilities by CARE of ₹30.00 crores.

### Subsidiaries

Your Company has six overseas subsidiaries viz. Greenlam Asia Pacific Pte. Ltd., Singapore, Greenlam America, Inc., USA, Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand, Greenlam Holding Co., Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia and Greenlam Europe (UK) Ltd., UK.

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

Further, two Thai step-down subsidiaries Greenlam Asia Pacific (Thailand) Co., Ltd. and Greenlam Holding Co., Ltd. are engaged in the business of marketing and distribution of high-pressure laminates in Thailand while the Indonesian step-down subsidiary PT. Greenlam Asia Pacific is engaged in the manufacture of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples. 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 in United Kingdom.

During the year 2015-16, the wholly owned Indian subsidiary Greenlam VT Industries Private Limited, had applied for striking off its name from the Register of Registrar of Companies pursuant to provisions of Section 560 of the Companies Act, 1956. Approval to the same was received on April 5, 2016 and the said subsidiary has been struck off and dissolved effective from that date. However, the dissolution of the said subsidiary will not have any material impact on the results/performance of the Company as the said subsidiary had not commenced any business.



As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on Standalone Financial Statements and a Report on Performance and Financial Position of each of the subsidiaries included in the Consolidated Financial Statements is presented herewith in Form AOC - I as Annexure - I. In accordance with third proviso of Section 136 (1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statements would be placed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com). Further, as per fourth proviso of the said section, audited Annual Accounts of each of the subsidiary companies would also be placed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com). Shareholders interested in obtaining a copy of the Annual Accounts of the subsidiary companies may write to the Company Secretary at the Company's corporate office or may drop a mail at [investor.relations@greenlam.com](mailto:investor.relations@greenlam.com).

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

### Consolidated Financial Statements

In accordance with the Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard (AS)-21 on Consolidated Financial Statements, the audited consolidated financial statements is provided in the Annual Report. Further, the financial statement of Greenlam VT Industries Private Limited has not been consolidated with the financial statements of the Company as it has been struck off.

### Transfer to General Reserve

The Directors in their meeting held on May 27, 2016 proposed to transfer ₹400.00 lacs to the General Reserve.

### Directors

Your Company has received declarations from all the Independent Directors viz. Mr. Vijay Kumar Chopra (DIN: 02103940), Ms. Urvashi Saxena (02021303) and Ms. Sonali Bhagwati Dalal (01105028) confirming that they meet the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, at the 2nd Annual General Meeting of the Company, held on 24th August, 2015, the members of the Company regularized the appointment of Ms. Parul Mittal (DIN: 00348783) as a Director of the Company.

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

None of the directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

### Changes in Share Capital

During the year under review, there was no change in the Share Capital of the Company.

## Key Managerial Personnel

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

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

### Meetings of the Board

Five (5) Board Meetings were held during the financial year ended March 31, 2016. 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.

### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (3) & (4) of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on March 15, 2016 have evaluated the Performance of Non -Independent Directors, Chairperson of the Company after considering the views of the other directors, Board as a whole and assessed the quality, quantity and timely flow of information between the Company's Management and the Board and the Nomination and Remuneration Committee also has carried out evaluation of performance of every director. On the

basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the non-independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board.

The criteria for evaluation are 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
- Attendance and presence in meetings of Board and Committees
- 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
- Reporting of frauds, violation etc.

**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
- Extent of participation during Board and Committee Meetings
- 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
- Reporting of frauds, violation etc.

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

- Adequate and appropriate written terms of reference
- Volume of business now handled by the committee (particularly the audit 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.

**d. For Board of Directors:**

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution to ensuring robust and effective risk management
- Composition of the board and its committees appropriate with the right mix of knowledge and skills sufficient to maximise 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

The Directors expressed their satisfaction with the evaluation process.

**Audit Committee**

As on March 31, 2016, the Audit Committee of the Company comprises of three independent directors with Ms. Urvashi Saxena as Chairperson and Mr. Vijay Kumar Chopra and Ms. Sonali Bhagwati Dalal as members and also one promoter director Mr. Saurabh Mittal, Managing Director & CEO of the Company. The Committee, inter alia reviews the Internal Control System and Reports of Internal Auditors and Compliance of various Regulations. The brief terms of reference of the Committee are provided



in the Corporate Governance Report. The Committee also reviews the Financial Statements before they are placed before the Board.

### Nomination and Remuneration Committee

As on March 31, 2016, the Nomination and Remuneration Committee comprises of two independent directors with Mr. Vijay Kumar Chopra as Chairman and Ms. Urvashi Saxena as member and also one Non - executive director Mr. Shiv Prakash Mittal as member. The Committee inter alia identifies persons who are qualified to become directors and who may be appointed in senior management. The brief terms of reference of the Committee are provided in the Corporate Governance Report.

### Stakeholders' Relationship Committee

As on March 31, 2016, the Stakeholders' Relationship Committee comprises of one Non - executive director Mr. Shiv Prakash Mittal as Chairman and one Executive Director Mr. Saurabh Mittal as member. Mr. Vijay Kumar Chopra resigned from the Committee w.e.f. 30th December, 2015. 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 is provided in the Corporate Governance Report.

### Vigil Mechanism

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns has been framed. The same is also uploaded on the website of the Company. This policy provides a platform 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 Audit Committee.

### Risk Management

During the financial year 2015- 16, your Company has appointed an Independent Agency to identify the various risks pertaining to different businesses and functions of the Company and to assist the Company in framing and implementing the Risk Mitigation Programme.

Your Company has adopted a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks elements associated with the businesses and functions of the Company have

been identified and will be systematically addressed through mitigating actions on a continuing basis. These are already discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

### 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:-

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 any 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 <http://www.greenlamindustries.com/pdf-file/CorporateSocialResponsibilityPolicy.pdf>



The Average Net Profit of the Company for the last three Financial Years is ₹17,52,28,670.00 and accordingly the prescribed CSR expenditure during the year under review shall not be less than ₹35,04,573.00 (i.e. 2% of the Average Net Profits of the Company for the last three Financial Years).

The Annual Report on CSR activities is annexed as “Annexure II” to this Report.

### Policy on Nomination and Remuneration

The summary of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Para A Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report.

### Particulars of contracts or arrangements with related parties

Related party transactions that were entered into during the Financial Year were on arm's length basis and were in ordinary course of business. The particulars of material related party transactions which were entered into on arm's length basis are provided in Form AOC- 2 as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 which is annexed herewith as Annexure-III. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. The Board has approved a policy for material related party transactions which has been uploaded on the Company's website. The web-link to the Policy on Related Party Transactions as required under Listing Regulations is as under: [http://www.greenlamindustries.com/pdf-file/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.greenlamindustries.com/pdf-file/Related_Party_Transaction_Policy.pdf).

### Directors' Responsibility Statement

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

- In preparation of the annual accounts for the Financial Year ended March 31, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- The directors have selected such Accounting Policies as listed in Note 1 to 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, 2016 and of the profit of the Company for that period.

- The directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- 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;
- 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.

### Material Changes

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since March 31, 2016 and the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

### Insurance

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

### Public deposits

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

### Listing of shares

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 538979 and on National Stock Exchange of India Limited (NSE) with scrip symbol GREENLAM. The Company confirms that the annual listing fees to both the stock exchanges for the Financial Year 2016–17 have been duly paid.

### Loans, Guarantees or 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 Statement of the Company.



## Auditors and their Report

### (a) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. D. Dhandaria & Company, Chartered Accountants, has been appointed as Statutory Auditors of the Company till the conclusion of 6th Annual General Meeting (AGM), as approved by the members at their 1st Annual General Meeting held on October 30, 2014. Further, pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Based on their declaration received by the Company under Section 139 and 141 of the Companies Act, 2013, they are eligible for the appointment. Members are requested to ratify their appointment for the financial year 2016-17. The Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 forms part of this Annual report.

### (b) Secretarial Auditors:

The Board of Directors of the Company at their meeting held on January 22, 2016 appointed Manoj Kumar Verma, Practicing Company Secretary of M/s. L. G. Corp Law having office at D-12 LGF, Lajpat Nagar, New Delhi – 110024 for conducting the Secretarial Audit of the company for the financial year 2015 – 16. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2016, is annexed herewith as Annexure-IV.

### (c) Cost Auditors:

Your Company was not required to appoint Cost Auditor for the Financial Year ending March 31, 2016.

### (d) Internal Auditor:

Mr. Rakesh Kumar Budhiraja, President – Finance of the Company had been appointed as 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 report.

## Response to Auditors' Remarks

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

## Extract of Annual Return:

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and

Administration) Rules, 2014, is provided in Form MGT-9 as Annexure-V to this report.

## Corporate Governance Report

A detailed Report on Corporate Governance pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with 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 year 2015 - 16, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

## CEO and CFO certification

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the CEO and CFO certification is attached with the Annual Report. The Managing Director and CEO and the Chief Financial Officer also provide quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Regulation 33 of 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 affirmed compliance with the code of conduct with reference to the year ended on March 31, 2016. Declaration is attached with the annual report.

## 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-VI.

## Particulars of employees

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure-VII.



### 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.

### 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

**Shiv Prakash Mittal**

Non-Executive Chairman

DIN: 00237242

Place: New Delhi

Date: May 27, 2016



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

Sl. No.	Part "A": Subsidiaries	₹	
		Greenlam Asia Pacific Pte. Limited.	Greenlam America, Inc.
1.	Name of the subsidiary	Greenlam Asia Pacific Pte. Limited.	Greenlam America, Inc.
2.	Reporting period for the subsidiary	March 31, 2016	March 31, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year	US\$ (₹66.2475)	US\$ (₹66.2475)
4.	Share Capital	18,40,92,859.09	10,59,96,000.00
5.	Reserves & Surplus	(4,85,40,669.46)	(1,71,10,868.03)
6.	Total Assets	1,01,57,44,033.59	28,59,92,444.93
7.	Total Liabilities	88,01,91,843.96	19,71,07,312.96
8.	Investments	1,95,91,174.73	NIL
9.	Turnover	1,97,79,12,322.73	83,68,83,468.30
10.	Profit before taxation	38,72,895.10	3,83,38,620.71
11.	Provision for taxation	1,93,442.70	NIL
12.	Profit after taxation	40,66,337.80	3,83,38,620.71
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

Sl. No.	Part "A": Subsidiaries	₹	
		Greenlam Europe (UK) Limited	Greenlam Asia Pacific (Thailand) Co. Limited
1.	Name of the subsidiary	Greenlam Europe (UK) Limited	Greenlam Asia Pacific (Thailand) Co. Limited
2.	Reporting period for the subsidiary	March 31, 2016	March 31, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year	GBP (₹95.085)	THB (₹1.887)
4.	Share Capital	1,79,02,603.80	75,48,000.00
5.	Reserves & Surplus	(16,13,51,543.12)	1,17,73,795.73
6.	Total Assets	14,09,97,362.76	18,92,44,412.63
7.	Total Liabilities	28,44,46,302.08	16,99,22,616.90
8.	Investments	NIL	9,43,500.00
9.	Turnover	14,35,43,453.81	83,50,42,690.84
10.	Profit before taxation	(6,90,55,956.68)	17,17,797.77
11.	Provision for taxation	NIL	(3,63,350.12)
12.	Profit after taxation	(6,90,55,956.68)	13,54,447.65
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	97.50%

Sl. No.	Part "A": Subsidiaries	₹	
		1.	Name of the subsidiary
2.	Reporting period for the subsidiary	March 31, 2016	March 31, 2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year	THB (₹1.887)	IDR (₹0.005)
4.	Share Capital	18,87,000.00	1,20,57,300.00
5.	Reserves & Surplus	(9,63,029.47)	46,89,433.80
6.	Total Assets	37,99,158.73	1,74,07,451.37
7.	Total Liabilities	28,75,188.20	6,60,717.58
8.	Investments	37,74,000.00	NIL
9.	Turnover	NIL	1,89,89,779.93
10.	Profit before taxation	(1,60,802.88)	26,26,546.70
11.	Provision for taxation	NIL	(1,69,672.59)
12.	Profit after taxation	(1,60,802.88)	24,56,874.11
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	99%	99%

**Notes:**

1. Name of the Subsidiaries which are yet to commence operations:- None
2. Names of subsidiaries which have been liquidated or sold during the year :-

During the Financial Year 2015 – 16, the Indian wholly owned subsidiary of the Company, Greenlam VT Industries Private Limited, has applied for striking off its name from the Register of Registrar of Companies pursuant to provisions of Section 560 of the Companies Act, 1956. Approval to the same was received on April 05, 2016 and the said subsidiary has been struck off and dissolves effective from that date.

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

The Company has no Associate or Joint Venture Company.

For and on behalf of Board of Directors

**Shiv Prakash Mittal**  
Non-Executive Chairman  
(DIN: 00237242)

**Saurabh Mittal**  
Managing Director & CEO  
(DIN: 00273917)

**Ashok Kumar Sharma**  
Chief Financial Officer

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



## ANNEXURES TO THE DIRECTORS' REPORT

Annexure-II

### Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programmes.

#### Brief outline of the CSR Policy:

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.

#### 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.

CSR Policy is stated herein below:

'<http://www.greenlamindustries.com/pdf-file/CorporateSocialResponsibilityPolicy.pdf>'

2. The Composition of the CSR Committee:

Mr. Saurabh Mittal - Chairman (Executive Director)

Mr. Shiv Prakash Mittal - Member (Non – Executive Director)

Ms. Sonali Bhagwati Dalal - Member (Independent Director)

Ms. Parul Mittal – Member (Executive Director)

3. Average net profit of the company for last three financial years: ₹17,52,28,670.00

For computing the average net profits of the Company for last three financial years, net profit for the financial year 2013-14 and 2014-15 have been considered as the company was incorporated on August 12, 2013.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The Company is required to spend ₹35,04,573.00 towards CSR

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: ₹52,94,933.00

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the Financial Year 2015-16 is detailed below:

Sl. No.	CSR Project or activity Identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or Programs was undertaken	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the projects or Programs Sub – heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent Direct or through implementing Agency*
1.	Support for Education and overall development of young, orphan and neglected girls, in the age group of 07 – 15 years at Greenlam Udayan Ghar in Ghaziabad.	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Ghaziabad, Uttar Pradesh	₹20,81,970.00	₹18,94,933.00	₹18,94,933.00	Udayan Care, A Charitable Trust
2.	Support for Strengthening and empowering the marginalized and vulnerable communities in Rani Block of District Pali and Ladnun Block of District Nagaur, mainly focusing on lactating mothers and adolescents	Promoting health care including preventive health care and sanitation and making available safe drinking water	District Pali & Nagaur in Rajasthan	₹34,00,000.00	₹34,00,000.00	₹34,00,000.00	Mamta – Health Institute for Mother & Child
	<b>Total</b>			<b>₹54,81,970.00</b>	<b>₹52,94,933.00</b>	<b>₹52,94,933.00</b>	

Note: The CSR spend for financial year 2014-15 was not mandatory and accordingly the amount voluntarily spent by the Company for/ during the financial year 2014-15 has not been considered in this report.

\*Details of implementing Agency:

**a) Udayan Care, A Charitable Trust**

Udayan Care is a registered Public Charitable Trust since 1994. Udayan Care's initiatives are focused towards regenerating the rhythm of life of the disadvantaged. Through the power of mentorship, it nurtures children who are orphaned and abandoned in the warmth of a family at Udayan Ghars, its long-term foster homes; ensures young girls higher education through our education fellowships; enables underserved youth and adults to improve their employability skills in its IT & vocational training centres; and creates long term buddies through Big Friend Little Friend Programme for these children.

**b) MAMTA – Health Institute for Mother & Child**

Mamta – Health Institute for Mother & Child is a Non – Government Organisation registered under Societies Registration Act, 1860. Mamta works for the cause of community development and is engaged inter alia amongst other activities in capacity building, community action, system strengthening, research and evidence building with a gender and rights perspectives in a cost effective and sustainable approach that empowers the marginalised and vulnerable communities in resource-poor settings of India.

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report:**

The Company has spent the required amount on CSR activities.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Saurabh Mittal**

(Managing Director & CEO)

(Chairman CSR Committee)

(DIN: 00273917)



## ANNEXURES TO THE DIRECTORS' REPORT

Annexure-III

### Form No. AOC-2

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Greenlam Asia Pacific Pte. Ltd. (Wholly-owned subsidiary)	Arrangement for sale of products	For the Financial Year 2014-15 and subsequent years	On mutually agreed terms for sale value of ₹1,42,76,75,515.00 during financial year 2015-16.	February 2, 2015	Nil

For and on behalf of the Board of Directors

Place: New Delhi  
Date: May 27, 2016

**Shiv Prakash Mittal**  
*Non-Executive Chairman*  
DIN: 00237242



## ANNEXURES TO THE DIRECTORS' REPORT

Annexure-IV

### Secretarial Audit Report

For the financial year ended on 31st March 2016

To,  
The Members,  
Greenlam Industries Limited,  
Makum Road, Tinsukia,  
Assam – 786 125

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Greenlam Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 (effective 28th October, 2014) - Not Applicable;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable;



I further report that, having regard to the compliance system prevailing in the Company and relying on the representation made by the Company and its officers, the Company has complied other applicable laws, as informed and certified by the Management of the Company, which are specifically applicable to the Company;

1. Environment Protection Act, 1986
2. Water (Prevention and Control of Pollution) Act, 1974
3. Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")
4. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008
5. The Indian Boilers Act, 1923 and rules and regulations thereunder
6. Legal Metrology Act, 2009 and rules and regulations thereunder
7. The Rajasthan Factories Rules,1951 and The Himachal Pradesh Factory Rules,1950
8. Indian Forest Act, 1927, Rajasthan Forest Act, 1953, The Rajasthan Forest Produce (Establishment and Regulations of Saw Mills) Rules 1983

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

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

**I 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, 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** the Company has 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.

**I further report that** during the audit period, the Company has no specific events/actions having a major bearing on the Company's affairs except as follows:

- i. Three Special Resolutions under section 188 and one Special Resolution under section 197 of Companies Act 2013 were passed by means of Postal Ballot pertaining to related party transactions and commission to Independent Directors respectively.
- ii. During the year the Company commenced commercial production from its expanded capacity unit at Nalagarh, Himachal Pradesh and also commenced commercial production of Engineered Door Sets and Door Leafs at its unit at Behror, Rajasthan.

**(Manoj Kumar Verma)**

*Practising Company Secretary*

M. No. FCS 7632

C P No.: 8275

Place: New Delhi

Date: May 27, 2016

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.



‘Annexure A’

To,  
The Members,  
**Greenlam Industries Limited**

My report of even date is to be read with along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial audit reports based on the audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My 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.

Place: New Delhi  
Date: May 27, 2016

**(Manoj Kumar Verma)**  
*Practising Company Secretary*  
M. No. FCS 7632  
C P No.: 8275



## ANNEXURES TO THE DIRECTORS' REPORT

Annexure-V

### Form No. MGT 9

#### Extract of Annual Return

As on Financial Year ended on 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014]

#### I. Registration & Other Details:

1.	CIN	L21016AS2013PLC011624
2.	Registration Date	August 12, 2013
3.	Name of the Company	GREENLAM INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	Public Company limited by shares
5.	Address of the Registered office & contact details	Makum Road, Tinsukia, Assam – 786 125 Tel No. 011-42791399, Fax No.: 011-42791330 Email: investor.relations@greenlam.com; Website: www.greenlamindustries.com
6.	Whether listed company	Yes. Listed on BSE Limited and National Stock Exchange of India Ltd.
7.	Name, Address & contact details of the Registrar & Transfer Agent	M/s. Link Intime India Pvt. Ltd. 44, Community Centre, 2nd floor Naraina Industrial Area, Phase-1 PVR Naraina, New Delhi – 110 028 Phone No.: 011-41410592, Fax No.: 011-41410591 Email id: delhi@linkintime.co.in

#### II. Principal Business Activities of the Company :

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code (2008) of the Product/service	% to total turnover of the company*
1	Laminates & Allied Products	16219	83.34
2	Decorative Veneer & Allied Products	16211	16.64

\* Figures have been stated on the basis of the gross turnover of the Company.

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1.	Greenlam VT Industries Private Ltd.*	U21015RJ2013PTC043572	Subsidiary	100%	2(87)(ii)
2.	Greenlam Asia Pacific Pte. Ltd.	Not Applicable	Subsidiary	100%	2(87)(ii)
3.	Greenlam America, Inc.	Not Applicable	Subsidiary	100%	2(87)(ii)
4.	Greenlam Europe (UK) Limited	Not Applicable	Subsidiary	100%	2(87)(ii)
5.	Greenlam Asia Pacific (Thailand) Co. Ltd.	Not Applicable	Subsidiary	97.5%	2(87)(ii)
6.	Greenlam Holding Co. Limited	Not Applicable	Subsidiary	99%	2(87)(ii)
7.	PT. Greenlam Asia Pacific	Not Applicable	Subsidiary	99%	2(87)(ii)

\*During the Financial Year 2015 – 16, the Indian wholly owned subsidiary of the Company, Greenlam VT Industries Private Limited, has applied for striking off its name from the Register of Registrar of Companies pursuant to provisions of Section 560 of the Companies Act, 1956. Approval to the same was received on April 05, 2016 and the said subsidiary has been struck off and dissolves effective from that date.

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	4326346	0	4326346	17.92	4346514	0	4346514	18.01	0.09
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	8956364	0	8956364	37.11	8966114	0	8966114	37.15	0.04
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>13282710</b>	<b>0</b>	<b>13282710</b>	<b>55.03</b>	<b>13312628</b>	<b>0</b>	<b>13312628</b>	<b>55.16</b>	<b>0.13</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>13282710</b>	<b>0</b>	<b>13282710</b>	<b>55.03</b>	<b>13312628</b>	<b>0</b>	<b>13312628</b>	<b>55.16</b>	<b>0.13</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	1833207	0	1833207	7.60	1826049	0	1826049	7.56	(0.04)
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	2971780	0	2971780	12.31	422410	0	422410	1.76	(10.55)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>4804987</b>	<b>0</b>	<b>4804987</b>	<b>19.91</b>	<b>2248459</b>	<b>0</b>	<b>2248459</b>	<b>9.32</b>	<b>(10.59)</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
a) Bodies Corporate	519475	0	519475	2.15	250378	0	250378	1.04	(1.11)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	726727	35327	762054	3.16	814109	32975	847084	3.51	0.35
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3946857	0	3946857	16.35	3652289	0	3652289	15.13	(1.22)
c) Others (Specify)									
i. Non Resident Indians	57569	0	57569	0.24	46408	0	46408	0.19	(0.05)
ii. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii. Foreign Nationals	-	-	-	-	500	-	500	0.00	-
iv. Clearing Members	5939	0	5939	0.02	3578	0	3578	0.01	(0.01)
v. Foreign Company	726342	0	726342	3.01	1901342	0	1901342	7.88	4.87
vi. Foreign Portfolio Investors	26855	0	26855	0.11	1242501	0	1242501	5.15	5.04
vii. Trusts	3586	0	3586	0.01	3586	0	3586	0.01	-
viii. HUFs	-	-	-	-	627621	0	627621	2.60	2.60
<b>Sub-total (B) (2):</b>	<b>6013350</b>	<b>35327</b>	<b>6048677</b>	<b>25.06</b>	<b>8542312</b>	<b>32975</b>	<b>8575287</b>	<b>35.52</b>	<b>10.46</b>
<b>Total Public Shareholding</b>									
<b>(B) = (B) (1)+(B) (2)</b>	<b>10818337</b>	<b>35327</b>	<b>10853664</b>	<b>44.97</b>	<b>10790771</b>	<b>32975</b>	<b>10823746</b>	<b>44.84</b>	<b>(0.13)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>24101047</b>	<b>35327</b>	<b>24136374</b>	<b>100.00</b>	<b>24103399</b>	<b>32975</b>	<b>24136374</b>	<b>100.00</b>	<b>-</b>

## B) Shareholding of Promoter

Sl. No.	Shareholder' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Saurabh Mittal	166710	0.69	-	3306534	13.70	-	13.01

### C) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Mr. Saurabh Mittal</b>				
	At the beginning of the year	166710	0.69	166710	0.69
	Changes during the year :				
	On 11.06.2015 purchased 273 equity shares from open market.	-	-	166983	0.69
	On 12.06.2015 purchased 2380 equity shares from open market.	-	-	169363	0.70
	On 15.06.2015 purchased 505 equity shares from open market.	-	-	169868	0.70
	On 16.06.2015 purchased 5453 equity shares from open market.	-	-	175321	0.73
	On 17.06.2015 purchased 40 equity shares from open market.	-	-	175361	0.73
	On 18.06.2015 purchased 416 equity shares from open market.	-	-	175777	0.73
	On 19.06.2015 purchased 4533 equity shares from open market.	-	-	180310	0.75
	On 22.06.2015 purchased 568 equity shares from open market.	-	-	180878	0.75
	On 15.12.2015 acquired 2019047 equity shares under inter se transfer	-	-	2199925	9.11
	On 22.12.2015 acquired 928609 equity shares under inter se transfer	-	-	3128534	12.96
	On 29.03.2016 acquired 178000 equity shares under inter se transfer	-	-	3306534	13.70
	At the end of the year			3306534	13.70



#### D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>S. M. Management Private Limited</b>				
	At the beginning of the year	3543462	14.68	3543462	14.68
	Changes during the year	-	-	-	-
	At the end of the year			3543462	14.68
2.	<b>Greenply Leasing and Finance Private Limited</b>				
	At the beginning of the year	2714731	11.25	2714731	11.25
	Changes during the year:				
	On 12.10.2015 purchased 9750 shares from the Open Market	-	-	2724481	11.29
	At the end of the year			2724481	11.29
3.	<b>Prime Holdings Private Limited</b>				
	At the beginning of the year	2408560	9.98	2408560	9.98
	Changes during the year	-	-	-	-
	At the end of the year			2408560	9.98
4.	<b>Mr. Ashish Dhawan</b>				
	At the beginning of the year	2369488	9.82	2369488	9.82
	Changes during the year:				
	On 15.05.2015 purchased 100000 shares.	-	-	2469488	10.23
	On 10.07.2015 purchased 2173 shares.	-	-	2471661	10.24
	On 07.08.2015 purchased 3136 shares.	-	-	2474797	10.25
	On 14.08.2015 purchased 9505 shares.	-	-	2484302	10.29
	On 21.08.2015 purchased 23254 shares.	-	-	2507556	10.39
	On 28.08.2015 purchased 13943 shares.	-	-	2521499	10.45
	On 04.09.2015 purchased 9314 shares.	-	-	2530813	10.49
	On 11.09.2015 purchased 4210 shares.	-	-	2535023	10.50
	On 25.09.2015 purchased 4150 shares.	-	-	2539173	10.52
	On 09.10.2015 sold 507834 shares	-	-	2031339	8.42
	On 13.11.2015 purchased 338 shares.	-	-	2031677	8.42
	On 20.11.2015 purchased 640 shares.	-	-	2032317	8.42
	On 27.11.2015 purchased 652 shares.	-	-	2032969	8.42
	At the end of the year			2032969	8.42
5.	<b>Westbridge Crossover Fund, LLC</b>				
	At the beginning of the year	726342	3.00	726342	3.00
	Changes during the year:				
	On 07.08.2015 purchased 1175000 shares.			1901342	7.88
	At the end of the year			1901342	7.88

Sl. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6.	<b>HDFC Trustee Company Ltd.</b>				
	At the beginning of the year	1833207	7.60	1833207	7.60
	Changes during the year:				
	On 25.12.2015 sold 4308 shares.	-	-	1828899	7.58
	On 31.12.2015 sold 2850 shares.	-	-	1826049	7.57
	At the end of the year			1826049	7.57
7.	<b>Jwalamukhi Investment Holdings</b>				
	At the beginning of the year	2376884	9.85	2376884	9.85
	Changes during the year:				
	On 07.08.2015 sold 1175000 shares.	-	-	1201884	4.98
	At the end of the year			1201884	4.98
8.	<b>Mr. Akhil Dhawan</b>				
	At the beginning of the year	37878	0.16	37878	0.16
	Changes during the year:				
	On 10.07.2015 purchased 900 shares	-	-	38778	0.16
	On 09.10.2015 purchased 507834 shares	-	-	546612	2.26
	At the end of the year			546612	2.26
9.	<b>Mr. Shiv Prakash Mittal</b>				
	At the beginning of the year	506000	2.10	506000	2.10
	Changes during the year	-	-	-	-
	At the end of the year			506000	2.10
10.	<b>Ms. Parul Mittal</b>				
	At the beginning of the year	472800	1.96	472800	1.96
	Changes during the year:				
	On 12.10.2015 purchased 6000 shares from the Open Market.	-	-	478800	1.98
	At the end of the year			478800	1.98



### E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Mr. Shiv Prakash Mittal, Non - Executive Chairman</b>				
	At the beginning of the year	506000	2.10	506000	2.10
	Changes during the year	-	-	-	-
	At the end of the year			506000	2.10
2	<b>Mr. Saurabh Mittal Managing Director &amp; CEO</b>				
	At the beginning of the year	166710	0.69	166710	0.69
	Changes during the year :				
	On 11.06.2015 purchased 273 equity shares from open market.	-	-	166983	0.69
	On 12.06.2015 purchased 2380 equity shares from open market.	-	-	169363	0.70
	On 15.06.2015 purchased 505 equity shares from open market.	-	-	169868	0.70
	On 16.06.2015 purchased 5453 equity shares from open market.	-	-	175321	0.73
	On 17.06.2015 purchased 40 equity shares from open market.	-	-	175361	0.73
	On 18.06.2015 purchased 416 equity shares from open market.	-	-	175777	0.73
	On 19.06.2015 purchased 4533 equity shares from open market.	-	-	180310	0.75
	On 22.06.2015 purchased 568 equity shares from open market.	-	-	180878	0.75
	On 15.12.2015 acquired 2019047 equity shares under inter se transfer	-	-	2199925	9.11
	On 22.12.2015 acquired 928609 equity shares under inter se transfer	-	-	3128534	12.96
	On 29.03.2016 acquired 178000 equity shares under inter se transfer	-	-	3306534	13.70
	At the end of the year			3306534	13.70
3.	<b>Ms. Parul Mittal, Director - Design &amp; Marketing</b>				
	At the beginning of the year	472800	1.96	472800	1.96
	Changes during the year:				
	On 12.10.2015, purchased 6000 equity shares from open market	-	-	478800	1.98
At the end of the year			478800	1.98	

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4.	<b>Mr. Vijay Kumar Chopra, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
5.	<b>Ms. Urvashi Saxena, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
6.	<b>Ms. Sonali Bhagwati Dalal, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
7.	<b>Mr. Ashok Kumar Sharma, Chief Financial Officer</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
8.	<b>Mr. Prakash Kumar Biswal, Company Secretary &amp; Asst. Vice President – Legal</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil



## V. INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,970,435,560.00	704,721,273.00	Nil	2,675,156,833.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	3,109,440.00	Nil	Nil	3,109,440.00
<b>Total (i+ii+iii)</b>	<b>1,973,545,000.00</b>	<b>704,721,273.00</b>	<b>Nil</b>	<b>2,678,266,273.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,205,003,960.00	Nil	Nil	1,205,003,960.00
Reduction	834,881,781.00	500,950,696.00	Nil	1,335,832,477.00
<b>Net Change</b>	<b>370,122,179.00</b>	<b>(500,950,696.00)</b>	<b>Nil</b>	<b>(130,828,517.00)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,340,557,740.00	203,770,577.00	Nil	2,544,328,317.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	4,034,025.00	Nil	Nil	4,034,025.00
<b>Total (i+ii+iii)</b>	<b>2,344,591,765.00</b>	<b>203,770,577.00</b>	<b>Nil</b>	<b>2,548,362,342.00</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Saurabh Mittal, Managing Director & CEO	Ms. Parul Mittal, Director - Design & Marketing	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,800,000.00	9,000,000.00	25,800,000.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	14,021,000.00	7,080,000.00	21,101,000.00
	- others	Nil	Nil	Nil
5.	Others (Contribution to Provident Fund)	1,584,000.00	1,080,000.00	2,664,000.00
	<b>Total (A)</b>	<b>32,405,000.00</b>	<b>17,160,000.00</b>	<b>49,565,000.00</b>
	Ceiling as per the Act ^	35,753,000.00	35,753,000.00	71,506,000.00

^ being 5% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013

## B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. Shiv Prakash Mittal, Non-Executive Chairman	Mr. Vijay Kumar Chopra, Independent Director	Ms. Urvashi Saxena, Independent Director	Ms. Sonali Bhagwati Dalal, Independent Director	
1.	Independent Directors					
	Fee for attending board and committee meetings (₹)	N.A.	280,000.00*	280,000.00*	280,000.00*	840,000.00
	Commission (₹)	N.A.	750,000.00**	750,000.00**	750,000.00**	2,250,000.00
	Others	N.A.	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>N.A.</b>	<b>1,030,000.00</b>	<b>1,030,000.00</b>	<b>1,030,000.00</b>	<b>3,090,000.00</b>
2.	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	N.A.	N.A.	N.A.	Nil
	Commission	Nil	N.A.	N.A.	N.A.	Nil
	Others	Nil	N.A.	N.A.	N.A.	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>1,030,000.00</b>	<b>1,030,000.00</b>	<b>1,030,000.00</b>	<b>3,090,000.00</b>
	Total Managerial Remuneration (₹)	5,26,55,000.00#				
	Overall Ceiling as per the Act (₹)	78,656,600.00@				

\* excluding applicable service tax.

\*\* not yet paid.

# Total remuneration to the Managing Director & CEO, Director-Design & Marketing and other directors (being the total of A & B)

@ being 11% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013.



### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ashok Kumar Sharma, Chief Financial Officer	Mr. Prakash Kumar Biswal, Company Secretary & Asst. Vice President-Legal	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,404,516.00	2,676,084.00	10,080,600.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others	Nil	Nil	Nil
5.	Others (Contribution to Provident Fund)	378,708.00	144,000.00	522,708.00
	<b>Total</b>	<b>7,783,224.00</b>	<b>2,820,084.00</b>	<b>10,603,308.00</b>

### VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	N.A	N.A.	N.A.	N.A.	N.A.
Punishment	N.A	N.A.	N.A.	N.A.	N.A.
Compounding	N.A	N.A.	N.A.	N.A.	N.A.
<b>B. Directors</b>					
Penalty	N.A	N.A.	N.A.	N.A.	N.A.
Punishment	N.A	N.A.	N.A.	N.A.	N.A.
Compounding	N.A	N.A.	N.A.	N.A.	N.A.
<b>C. Other Officers In Default</b>					
Penalty	N.A	N.A.	N.A.	N.A.	N.A.
Punishment	N.A	N.A.	N.A.	N.A.	N.A.
Compounding	N.A	N.A.	N.A.	N.A.	N.A.



## ANNEXURES TO THE DIRECTORS' REPORT

### Annexure-VI

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:

- Installation of panel AC with VFD drive for CPF 160 boiler ID fan to minimize the panel inside heat and increase efficiency of the VFD drive with potential annual energy saving up to 76308 kwh.
- Replacement of conventional tube lights with LED tube lights to reduce energy consumption and improve lamp life with potential annual energy saving up to 33498 kwh.
- Replacement of conventional street lights with LED lights to reduce energy consumption and improve lamp life with potential annual energy saving up to 10631 kwh.
- Automation of dehumidifier to reduce energy and steam consumption which have a potential energy saving up to 6830 kwh / annum and annual steam saving up to 36.5 ton.
- Optimization of set point in the control system of high pressure hydraulic pumps of hot presses to avoid the frequent operation of pumps with potential annual energy saving is 14769 kwh.
- Commissioning of centralized exhaust system for impregnation in Behror factory to reduce power consumption and quality improvement with potential annual energy saving up to 86667 kwh.
- Replacement of damaged Insulation of steam & cooling water lines to reduce losses and with annual steam saving up to 365 ton.
- Reusing of treated STP water for gardening which results in annual saving of fresh water of almost 5457 KL.
- Reusing of industrial RO reject water for boiler ash quenching, pet coke dust quenching, wet boiling, toilets flushing, floor washing etc., which results in annual saving of fresh water of almost 7300 KL.
- Reusing of drinking water RO reject water for toilets flushing, utensils cleaning, etc., which result in annual saving of fresh water of almost 1825 KL.
- Moderated average water consumption to 350 m3 per day from 400 m3 per day after proper monitoring and controlling with potential annual fresh water saving up to 18250 KL.
- Recycling of chilling plant and hot presses condensate recovery and reusing in boiler feed water tank to reduce RO water consumption. This resulted in annual saving of fresh water up to 14600 KL.
- Recycling of hot Presses gland sealing water passing through cooling tower and reusing in process application giving an annual saving of fresh water saving up to 36.5 KL/annum.

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

- Installation of photo cell control system for boundary street lights with a potential annual energy saving up to 3384 kwh.

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

#### (B) Technology Absorption:

- Efforts made towards technology absorption:** Your Company has been very vigilant in introducing new technology to reduce cost of production, improve yield, enhance product longevity and amplify finish. It is inevitable on the part of your company to adopt sustainable measures to have a competitive edge as well as to continue with leadership position. The Company has specialised team to identify the customer's requirement, suitability of the product to the targeted population, changes happening around, scope for enlarging product utility, etc.



ii. **Benefits derived like product improvement, cost reduction, product development or import substitution:**  
 Installation of new version rotary cutters for Phenolic and Melamine line resulted in increasing productivity and minimization of variation. Replacement of chain conveyor with belt conveyor for presses no - 4 helps minimize rejects, break downs and improve quality of product. Installation of heat tracking system at all intermediate pipe line of dryer tray maintains the resin quality. Replaced old version roll with new optimized design roll for sanding machine, to enhance the quality, productivity and reduce the thickness variation complaints.

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

- a. Details of technology imported: Click-lock technology and machineries used for manufacturing of engineered wood floors.
- b. Year of import: 2013-14.
- c. Whether the technology been fully absorbed: Yes
- d. If not fully absorbed, areas where absorption has not taken place, and the reason thereof: not applicable; and

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

- a. Capital: Nil
- b. Recurring: ₹135.04 Lacs

### 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 Lacs	
For the period ended on March 31, 2016		2016	2015
Earnings on account of:			
a) FOB value of exports		32,550.95	30,222.02
b) others		1.04	Nil
<b>Total</b>		<b>32,551.99</b>	<b>30,222.02</b>
Outgo on account of:			
a) Raw materials		21,659.51	18,928.50
b) Capital goods		766.93	2,400.87
c) Traded goods		34.42	Nil
d) Stores & spare parts		201.02	219.86
e) Others		681.90	434.04
<b>Total</b>		<b>23,343.78</b>	<b>21,983.01</b>

For and on behalf of the Board of Directors

Place: New Delhi  
 Date: May 27, 2016

**Shiv Prakash Mittal**  
*Non-Executive Chairman*  
 DIN: 00237242

## ANNEXURES TO THE DIRECTORS' REPORT

## Annexure-VII

A. Particulars of employees for the year ended March 31, 2016 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of 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 2015-16 is as under:

Sl. No.	Name of Director/KMP	Designation	Ratio of the remuneration of each director to the median remuneration of employees
1.	Mr. Shiv Prakash Mittal	Non-Executive Chairman	N. A.
2.	Mr. Saurabh Mittal	Managing Director & CEO	232.49
3.	Ms. Parul Mittal	Director-Design & Marketing	123.12
4.	Mr. Vijay Kumar Chopra	Independent Director	7.39
5.	Ms. Urvashi Saxena	Independent Director	7.39
6.	Ms. Sonali Bhagwati Dalal	Independent Director	7.39

- ii. The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the financial year 2015-16.

Sl. No.	Name of Director/KMP	Designation	% increase in Remuneration in the Financial Year 2015-16
1.	Mr. Shiv Prakash Mittal	Non-Executive Chairman	N.A.
2.	Mr. Saurabh Mittal	Managing Director & CEO	70.566%
3.	Ms. Parul Mittal	Director-Design & Marketing	123.379%
4.	Mr. Vijay Kumar Chopra	Independent Director	10.160%
5.	Ms. Urvashi Saxena	Independent Director	11.956%
6.	Ms. Sonali Bhagwati Dalal	Independent Director	13.812%
7.	Mr. Ashok Kumar Sharma	Chief Financial Officer	224.148%
8.	Mr. Prakash Kumar Biswal	Company Secretary & Asst. Vice President-Legal	247.856%

**Note:**

- Ms. Parul Mittal, Director-Design & Marketing, Mr. Ashok Kumar Sharma, Chief Financial Officer and Mr. Prakash Kumar Biswal, Company Secretary & Asst. Vice President-Legal were appointed to their current position as on 11.11.2014, 17.11.2014 and 17.11.2014 respectively. Accordingly, the percentage of increase in remuneration during financial year 2015-16 is not in line with the actual increase of remuneration, as the above percentage increase in remuneration for 2015-16 have been arrived in comparison to the remuneration for financial year 2014-15 (which was for the part of the financial year only from the respective date of appointment).
- The remuneration of the Executive Directors comprises of fixed monthly remuneration as well as annual commission being certain percentage of net profit of the Company. There was no increase in the fixed remuneration of Executive Directors during financial year 2015-16 over and above their fixed remuneration as of March 31, 2015.
- There was neither any increase in annual commission nor any increase in per meeting sitting fees of the independent directors during financial year 2015-16. The above increase in remuneration of independent directors was due to increase in number of meetings they attended during financial year 2015-16.

- iii. **The percentage increase in the median remuneration of employees of the Company in the financial year:**  
During the financial year 2015-16, the remuneration of median employee of the Company was increased by 9.60%.



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

As on March 31, 2016, there were 1716 permanent employees on the rolls of the Company.

**v. Relationship between average increase in remuneration and company performance:**

The average increase in remuneration (other than managerial personnel) during the financial year 2015-16 was above 9% as compared with the previous financial year. Total revenue of the company during the financial year ended March 31, 2016 was ₹93812.22 lacs as against the ₹84602.10 lacs for the financial year March 31, 2015. The total employee benefit expenses for the financial year ended March 31, 2015 was ₹7884.57 lacs against ₹10432.89 lacs for the financial year ended March 31, 2016. The total employee benefit expenses as a percentage of total revenues for the financial year ended March 31, 2016 is 11.12% against the 9.32% for the financial year March 31, 2015.

The following factors are the reason for average increase in remuneration of the company:

- inflation
- talent addition because of start up of new Engineered Door business and increase in laminate capacity in Nalagarh plant
- applicable regulatory guidelines
- normal salary revision
- external competitiveness
- talent retention

**vi. Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Amount (₹ in lacs)
Aggregate remuneration of KMP for financial year 2015-16	601.68
Total Revenue for financial year 2015-16	93812.22
Remuneration of KMPs (as % of Revenue)	0.64%
Profit before tax (PBT) for financial year 2015-16	6499.01
Remuneration of KMPs (as % of PBT)	9.26%

**vii. Variations in the market capitalisation of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Stock Exchange	Closing Market Price per Share (₹)		Percentage increase	Price Earnings Ratio		Market Capitalisation (₹ In crores)	
	As on March 31, 2016	As on March 31, 2015		As on March 31, 2016	As on March 31, 2015	As on March 31, 2016	As on March 31, 2015
National Stock Exchange of India Ltd.	497.90	439.45	13.30%	29.79	39.84	1201.75	1060.67
BSE Limited	490.00	454.25	7.87%	29.32	41.18	1182.68	1096.39

**viii. Average percentile of increase 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 percentage increase in salary of the Company's employee (other than the managerial personnel) during 2015-16 was above 9%. The total managerial remuneration for the financial year 2015-16 was ₹5,26,55,000.00 as against ₹2,94,40,500.00 during the previous year 2014-15.

The total remuneration of executive directors i.e., Mr. Saurabh Mittal has increased from ₹18,998,500.00 in 2014-15 to ₹32,405,000.00 in 2015-16 and of Ms. Parul Mittal has increased from ₹7,682,000.00 in 2014-15 to ₹17,160,000.00 in 2015-16. The remuneration paid to Ms. Parul Mittal during 2014-15 was for part of that financial year only as she was appointed as an executive director w.e.f. 11th November, 2014. Further, there was no increase in the monthly remuneration of the executive directors Mr. Saurabh Mittal and Ms. Parul Mittal during financial year 2015-16. The increase in their total remuneration represent the increase in the amount of annual commission payable to them linked with profitability of the Company and the consequential increase in annual commission was in line with the increase in the profitability of the Company.

There was no change in per meeting sitting fees as well as the amount of annual commission paid to the independent directors during the financial year under review. The Non-executive Chairman does not receive any remuneration from the Company.

- ix. **comparison of remuneration of each of the Key Managerial Personnel against the performance of the company:**

Sl. No.	Particulars	Key Managerial Personnel			
		Mr. Saurabh Mittal	Ms. Parul Mittal	Mr. Ashok Kumar Sharma	Mr. Prakash Kumar Biswal
		Managing Director & CEO	Director – Design & Marketing	Chief Financial Officer	Company Secretary & Asst. Vice President - Legal
1.	Remuneration in the financial year 2015-16 (₹ in Lacs)	324.05	171.6	77.83	28.20
2.	Remuneration as % of Total Revenue	0.35%	0.18%	0.08%	0.03%
3.	Remuneration as % of Profit Before Tax	4.99%	2.64%	1.20%	0.43%

- x. **The key parameters for any variable component of remuneration availed by the directors:**

The key parameters for the variable component of remuneration such as annual commission availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors and Senior Management Personnel.

- xi. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not Applicable since none of the employee of the Company receives remuneration in excess of the highest paid directors, i.e. Managing Director & CEO.

- xii. **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 31st March, 2016 is as per the Remuneration Policy of the Company.

## B. Particulars of employees for the year ended March 31, 2016 as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of 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	40	Managing Director & CEO	3,24,05,000.00	B.Com	19	01/04/2002*	Greenply Industries Limited*
2	Ms. Parul Mittal	38	Director – Design & Marketing	1,71,60,000.00	B.Com	14.2	11/11/2014	Greenply Industries Limited
3	Mr. Sandeep Mathur#	58	President-Doors	27,36,456.00	PGDM	N.A.#	15/03/2013*	Greenply Industries Limited*
4	Mr. Alok M Tibrewala#	53	Country Head-Laminate and Allied	30,09,740.00	B. Tech	N.A.#	01/05/2013*	Greenply Industries Limited*
5	Mr. Ashok Kumar Sharma	47	Chief Financial Officer	77,83,224.00	CA	23.1	23/12/2013*	Greenply Industries Limited*



Sl. No.	Name of the employee	Age (years)	Designation	Remuneration Received (₹)	Qualification	Experience in years	Date of commencement of employment	Last employment
6	Mr. Banwari Lal Sharma	59	President-Plant Operations	60,23,068.00	B.Sc, LLB, MBA	35	01/09/2013*	Greenply Industries Limited*
7	Mr. Shivaji Mohinta	48	Country Head-Decorative Veneer	62,04,912.00	Strategic Mgt Diploma	26.4	26/12/2014	Hunter Douglas India Pvt. Ltd.
8	Mr. Anil Tyagi	60	Business Head-Flooring	69,90,912.00	B.Sc	29.4	02/01/2015	Futura Living Art Pvt. Ltd.
9	Mr. Anuj Sangal	48	Country Head-Laminate & Allied	72,88,171.00	MBA	23.2	01/04/2015	Sonear Industries Limited
10	Ms. Lorraine Anne Brigdale	60	Vice President - Design	26,17,000.00	Marketing Retail Studies	25.2	01/10/2015	Design & Marketing Professional

\*employment transferred to the Company from Greenply Industries Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble Gauhati High Court effective from November 17, 2015 (Appointed date 01.04.2013) and accordingly the respective date of appointment in the Demerged Company has been considered.

#Employment ceased during the financial year 2015-16.

**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 the variable performance pay of the employees.
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 employees own 2% or more of the equity shares of the Company as on March 31, 2016 within the meaning of clause (iii) of sub-rule (2) of rule 5 referred above.
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 related to each other.

For and on behalf of the Board of Directors

**Shiv Prakash Mittal**  
*Non-Executive Chairman*  
 DIN: 00237242

Place: New Delhi  
 Date: May 27, 2016



# Management discussion and analysis

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## Global economic overview

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The year 2015 witnessed a slowdown in the global economy. The GDP growth was at an unassertive 3.1% in 2015 against 3.3% reported in 2014. The developing economies of China and India experienced moderated economic growth, while the advanced economies of the US and Eurozone witnessed a modest recovery from the recession that started in 2010.

**The year continued to be influenced by three key transitions:**

- The gradual slowdown and rebalancing of the economy in China away from investment and manufacturing toward consumption and services
- Reduced prices for energy and other commodities
- A slow but effective check in monetary policy in the US aided by accommodative monetary policies of advanced economies and significantly lower energy costs

Global economic growth in China is progressing broadly as predicted, but with a faster-than-expected slowdown in exports and imports, partially reflecting the insubstantial investment and manufacturing activity. These developments, together with market concerns about the imminent performance of the Chinese economy, are bearing the consequences to other economies through trade channels and weaker commodity prices, as well as through reduced trust and increasing volatility in financial markets.

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by a mere 0.2 percentage points in 2016 to 2.1% and hold steady in 2017. Growth in emerging markets and developing economies is projected to go up from 4% in 2015, the lowest since the 2008-09 financial crisis, to 4.3% and 4.7% in 2016 and 2017, respectively (Source: IMF, January 2016).

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## Indian economic overview

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India's GDP growth is projected at 7.6% in 2015-16 against 7.2% in 2014-15, catalysed by a superior performance of the manufacturing sector (projected growth of 9.5% in 2015-16 against 5.5% in 2014-15). The growth in the manufacturing sector has been attributed to a significant fall in inputs costs following the collapse of global commodity prices.

**India's economy recovery was also facilitated by other factors that include:**

- A large gain in terms of trade (about 2.5% of GDP)
- Positive policy actions by the Government
- Reduced external vulnerabilities

The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation.

According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index (CPI), which averaged 6.5% in 2014-15 could decline to 5-5.5% in 2015-16. The slide in global oil prices since late 2014 boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions.

Looking ahead, the Economic Survey 2015-16 has projected GDP growth of 7-7.75% in 2016-17. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy. It forecasts India's GDP growth at 7.5% in 2016-17, supported by a large and vibrant consumption-oriented market and stronger domestic demand.



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## Government initiatives

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Numerous foreign companies are setting up their facilities in India on account of various government initiatives like the 'Make in India' and 'Digital India' initiatives. The Central Government launched the Make in India initiative with the aim to boost the manufacturing sector of the Indian economy. This initiative is expected to increase the purchasing power of the average Indian consumer, which would further boost demand and hence spur development, in addition to benefiting investors. Besides, the Central Government has also come up with the landmark Digital India initiative that focuses on three core components:

- Creation of digital infrastructure
- Delivery of digital services
- Enhancing digital literacy

The Finance Ministry has stated that it is actively appraising a number of reforms and is seeking resolution of pending tax disputes to attract investments.

Currently, the manufacturing sector in India contributes over 15% of the GDP. The Government of India, under the Make in India initiative, is trying to provide a fillip to the contribution made by the manufacturing sector and aims to take it up to 25% of the GDP (Source: IBEF).

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## Indian furniture industry

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As the economy recovers from the slump of the last couple of years, the Indian interiors sector proves that the consumer is willing to spend big to live a better life. India boasts a rich list of over 100,000 very high net worth individuals across the country, of which nearly half (46%) is concentrated in Tier-II cities and sub-urban areas where new demand is being generated. The dynamics of the furniture industry is undergoing a paradigm shift in the wake of the arrival of a better-informed and well-resourced consumer. The entry of a large number of international brands and the proliferation of several branded showrooms offers consumers a wider spectrum of design and products to choose from, while exhibition initiatives have fuelled the desire for aspirational homes.

As of 2015, the Indian furniture market is estimated to be worth US\$ 17,922 million. Of this, wooden furniture accounts for US\$ 5,358 million and within this, US\$ 852 million is imported with imports growing at 50-60% every year. India was the largest furniture importer in the world with a 19% share in furniture imports worldwide. A total of 10,476 importers shipped furniture to India during this period, mainly from Italy, Germany, Spain, China, Korea, Malaysia, Indonesia, Philippines and Japan. The Indian furniture sector makes a respectable contribution of 0.5% to the GDP (Source: LinkedIn).

### Furniture industry

The Indian furniture retail industry is valued as the

14th largest furniture market in the world driven largely by a substantial middle-class population. The industry is expected to reach a size of ₹2,708 billion by 2019, registering a CAGR of 25% (Source: Cushman and Wakefield).

Nevertheless, the Indian furniture industry is still considered as an unorganised sector as the artisan-driven portion accounts for about 85% of furniture production, while wooden home furniture tops the list of the organised segment of the industry. However, the entry of several international brands has boosted furniture retail in the country, pushing growth in this dynamic sector.

### Furnishings sector

The home furnishing market in India is expected to witness a CAGR of around 8% by 2018 and to reach revenues of US\$ 5.29 billion by 2018, driven by the growing retail industry and the high per capita consumer income (Source: India Home Furnishing Market Forecast & Opportunities).

Industry experts expect robust growth in both Tier I and II cities with well-known furnishing brands looking to enhance their presence with local distribution tie-ups or standalone stores across major cities. The growth of this segment is not restricted to high street retail as online players have carved a niche for themselves in this segment too.

## BUSINESS SEGMENT REVIEW

# Laminates and allied products

### Snapshot

- **Manufacturing facility:** Behror, Rajasthan and Nalagarh, Himachal Pradesh
- **Installed capacity:** 12.02 mn sheets per annum
- **Brand:** Greenlam and New Mika
- **Production, 2015-16:** 11.79 mn sheets
- **Production growth over 2014-15:** 3.2%
- **Capacity utilisation:** 107% (annualised)
- **Sales, 2015-16:** 11.85 mn sheets
- **Sales growth over 2014-15:** 2.5%
- **Revenue, 2015-16:** ₹797.4 crore
- **Contribution to total revenue, 2015-16:** 85.1%
- **Revenue growth:** 7.0%

### Market overview

Greenlam outperformed the industry growth yet again during the financial year under review. The company's laminates business grew almost 1.5x the broad industry's growth.

The size of the Indian laminates industry is estimated at 120 million sheets per year, translating into a size of ₹4,600 crore.

The market, growing at 4-5% per annum, is 60:40 split between the organized and unorganized segments; the share of the unorganized segment is rapidly being carved away by the organized sector on account of superior branding, wider product range and stronger product assurance.

In a yet more important statistic, while the average home ownership age declined by almost 45 years to 30 years today (compared with the 1970s), the average cost of interiors as a percentage of the total residential refurbishment cost increased a mere 15-20%. Besides, the introduction of digital laminates has widened choice in terms of designs, sizes and customization. This evolving market reality coupled with product innovation is feeding on each other, with the domestic laminates industry expected to grow faster at 10% over the foreseeable future.

The other Greenlam edge is its 100+ country global presence, making it possible to absorb global trends and manufacture relevant products. The US\$ 7bn global laminate industry is growing 2% annually. According to a Freedonia Group study, the industry is expected to grow 5.6% annually until 2018, catalysed by the following:

- Rising manufacture of cabinets and ready-to-assemble furniture from engineered wood and laminates (furniture and cabinets account for 70% of the market)
- Cost and performance benefits over wood and paint
- Increased market penetration

### Greenlam's positioning

Greenlam Industries is India's largest and the world's third largest laminates manufacturing company. During the year under review, the company marketed 11.85 million laminate sheets, an increase of 2.5% over the previous year even as the broad market was sluggish on account of decline in the real estate and replacement markets.

Greenlam responded proactively. The company catalyzed its pan-India foot soldiers to interact with the widest range of architects in the retail, hospitality, healthcare, residential, civil and education sectors. Besides, awareness-increasing communication was activated with real estate builders and developers, organized carpentry stores, furniture manufacturers (like Pepperfry) and general contractors around the functional and aesthetic aspects.

### Key highlights, 2015-16

- Achieved a 10.3% domestic turnover growth to ₹436.4 crore; international turnover expanded by 3.2% to ₹360.8 crore
- Accelerated Greenlam clad product off-take.
- Created eye-catching clips of product videos for the social media; created attractive photo-books for informed sales
- Expanded sales and distribution network and Company owned Regional Distribution Centres
- Optimized debtor days through stronger receivables collection; outstandings declined by 2 days of turnover equivalent to 49 days



### Market optimism

- The establishment of furniture e-commerce sites (urbanclap.com, fabfurnish.com and pepperfry.com) is likely to widen the market
- The introduction of digital laminates will widen consumer choice, budgets, functions and applications

### Outlook, 2016-17

- Improve product mix and utility to enhance realisations
- Address market needs through customized products
- Achieve optimum asset utilization, preventing stock-outs
- Widen product choice

## BUSINESS SEGMENT REVIEW

# Decorative veneer and allied

## Decorative veneer

### Snapshot

- **Brand:** Decowood
- **Manufacturing facility:** Behror, Rajasthan
- **Installed capacity:** 4.20 mn sq. m per annum
- **Production, 2015-16:** 1.61 mn sq. m
- **Production growth:** 51.9%
- **Sales, 2015-16:** 1.60 mn sq. m
- **Sales growth over 2014-15:** 46.8%
- **Revenue, 2015-16:** ₹122.0 crore
- **Contribution to total revenue, 2015-16:** 13%
- **Revenue growth:** 29%

### Market overview

The decorative industry has a strong bearing on decorative veneers.

Over the years, there has been a significant increase in decorative veneer options - solid surfaces, glossy panels, wall features, textured paints, wall papers and eco-resin materials, among others. Besides, there has been an emergence of off-site manufacturing and e-commerce furniture portals exposing a wider audience to a larger product and design range.

With the evolution of design and trends, within veneers, there is an emphasis on value-added, mix-match and customized designs on the product side and importance of product display/ambience on the retail side. Besides, the other significant development has increased customer involvement in the buying process, transforming segment dynamics.

So looking at the evolving needs, Greenlam has been innovating its product basket and 'Decowood' is proudly the most innovative brand of natural veneers in the country today. Last year Greenlam's Decowood

introduced over 150 variants such as Digital Veneers, Oxidized Veneers, UV Painted veneers to the country. Standing today, Greenlam's Decowood offers variants for different applications needs like Veneered MDF Panel, Laminated Veneer & Flexible Veneers. Use of high density hardwood and plywood provides durability and high product quality. Apart from the standard sheet size of 4'x8', Decowood offers specialized dimension like 4x10; 3x7 for door and paneling applications. Not just that it offers world's most exotic decorative veneers ranging from Walnut to Rosewood and Mahogany to Ebony that are backed by fine craftsmanship, artistic skills, and years of expertise. Though each veneer is a masterpiece in itself, we use innovative processes to make it truly impeccable. The exquisite detailing of each veneer makes Greenlam's Decowood luxurious and timeless.

### » DID YOU KNOW?

THE AGGREGATE ESTIMATED MARKET SIZE FOR NATURAL VENEERS IS ₹800 CRORE; GREENLAM'S SHARE IS THE HIGHEST AT 12%.



## Greenlam's positioning

Greenlam launched a dedicated decorative veneers vertical in 2015, enhancing focus. The flagship segment's revenues increased 29% to ₹122 crore in 2015-16.

Greenlam has reinforced its position as a segment pioneer, thanks to rich insights and capabilities in mapping market preferences and offering trendsetting designs. The Company is the largest Indian producer of natural wood veneers (manufactured 1.1 mn sq. m during 2015-16, up from 1.06 mn sq. m in 2014-15). This output was supported by a large distribution network (1000 dealers and distributors at the close of the year under review). The brand offered 200+ exotic imported natural veneer wood species, adding teak and engineered veneers to its portfolio.

In a significant 2015-16 development, the Company planned to launch the country's largest experience centre – Madera Hub, for Wood & Allied Products showcase and selection spread over 54,000 sq. ft three-storey display centre in Behror (Rajasthan). It will serve not just as a showcase of the Company's large product range but will also position Greenlam as a leading Indian innovative decorative veneer and allied product brand.

## Key highlights, 2015-16

- Launched 150 products in natural, teak and engineered categories, which were well-accepted by the market.
- Evolved product mix towards value-added, customised products with average realisations of ₹766 per sq. m.
- Embraced a solution-oriented approach among designers and specifier community; this enhanced knowledge on how Greenlam products are best suited for demanding customer needs

- Identified high-performing channel partners for prospective growth
- Added 150 new channel partners

## Market optimism

Some trends are likely to shape the decorative veneer and allied products market, going forward:

- One, a preference for veneers over alternatives on account of their natural beauty, warmth and richness
- Two, reduction in the interiors renovation cycle from about 8 years earlier to around five years
- Three, fills a void created by expensive natural solid wood with restricted availability
- Four, furniture market growth (following dedicated furniture product e-commerce websites) and a preference for branded products, catalysing market growth and shift from unorganised to organised product consumption

## Outlook, 2016-17

- Enhancing the purchase experience of veneers through augmentation at retail with displays
- Unique strategy for each distinct customer/user segments, enhancing marketing focus
- Ensuring that Decowood stays as an integral part of a designer's journey
- Increase variants and choice for specifiers
- Strategic application and design-oriented marketing of Decowood veneers
- Enhancing spotlight on end-consumers as a means of enhancing brand and product awareness



## Engineered wood flooring

### Snapshot

- **Brand:** Mikasa Floors
- **Manufacturing facility:** Behror, Rajasthan
- **Installed capacity:** 1.0 mn sq. m per annum
- **Production, 2015-16:** 0.07 mn sq. m
- **Production growth over 2014-15:** 170%
- **Capacity utilisation:** 7.3%
- **Sales, 2015-16:** 0.07 mn sq. m
- **Sales growth over 2014-15:** 292%
- **Revenue, 2015-16:** ₹16.3 crore
- **Contribution to total revenue, 2015-16:** 1.7%
- **Revenue growth over 2014-15:** 234%

### Market overview

Engineered wood flooring was introduced in India in the mid-2000s. The product represents a superior alternative over solid wood floors that are marked by issues regarding installation, maintenance and consistency. Worldwide, about 125-130 mn sq. m of engineered floors are sold annually. A majority is consumed in Europe, the US and the northern Asia (including China). South East Asia and South Asia use engineered floors extensively; reliable estimates suggest a demand for around 2 mn sq. m per annum in India, representing almost 1.5% of the global market.

Earlier, all material would be imported for use in high-end multi-unit residential projects. The designers of such projects typically opted for natural wood products. On the back of sound luxury residential demand, increasing disposable incomes and home pride, the Indian market for engineered wood flooring is growing at 20% (global growth 5% to 8.5%), making India one of the fastest growing markets for such products. The demand for this category has only just commenced and likely to sustain as architects/ designers and consumers move from conventional marble and tiles to something varied in design, shape and colour.

### Greenlam's positioning

In September 2014, Greenlam commissioned the country's first engineered wood flooring plant. Established for ₹105 crore, the unit recorded an output of 72,821 sq. m during the year under review corresponding to a 7.3% capacity utilisation. At peak utilisation, the plant can deliver almost 1.00 mn sq. m of output.

The division launched the Mikasa brand pan-India in September 2014. Following this launch, Mikasa emerged as the first Indian engineered wood floor brand

with state-of-the-art European manufacturing technology. The plant is integrated with the decorative veneer facility, enhancing synergy in sourcing and manufacturing. The Company possesses a vibrant range of over 100 SKUs; all raw material and hardwood are imported from the best global sources. Besides, the Company's high quality flooring product is supported by product warranties upto 30-year and comprehensive lifecycle post-installation service.

Mikasa branded flooring is set to emerge as leader on the back of local manufacture, pan-India availability, and a dedicated team comprising network partners, installers and employees. The category is expected to become more organised without depending on small importers and traders.

In view of this, the launch of Mikasa branding flooring in an import-driven market is expected to be a gamechanger.

### Initiatives for 2016-17 and beyond

The Company is expected to introduce a range of products to satisfy customers at all relevant price/ usage bands. The other initiatives for 2016-17 include a launch of a new range of products, wider product availability in Tier 2 cities and enhance the 'Made in India' positioning for institutional customers.

Tata Housing projects used Greenlam products on account of customization of products to suit Indian climatic conditions, superior execution and long term after sales support.

### » DID YOU KNOW?

MIKASA BRANDING FLOORING'S UNIQUE GLUE-LESS MECHANISM, PLANKLOC, ALLOWS FOR CONVENIENT INSTALLATION WITHOUT THE MESS USUALLY ASSOCIATED WITH INSTALLING OTHER FLOORS LIKE MARBLE AND TILES. MOST OLD FLOORS CAN BE COVERED ALMOST OVERNIGHT LEAVING A SPARKLING NEW WOOD FLOOR WITHOUT REMOVING THE OLD FLOORS.

## Engineered doors and frames

### Snapshot

- **Brand:** Mikasa Doors & Frames
- **Manufacturing facility:** Behror, Rajasthan
- **Installed capacity:** 1,20,000 door leaves and sets per annum
- **Production, 2015-16 (production commenced from September, 2015):** 1167 units
- **Production growth over 2014-15:** NA
- **Capacity utilisation:** 2%
- **Sales numbers, 2015-16:** 1,148 units
- **Sales growth over 2014-15:** NA
- **Revenue, 2015-16:** ₹107.15 lacs
- **Contribution to total revenue, 2015-16:** 1%
- **Revenue growth over 2014-15:** NA

### Market overview

The Indian doors (including flush doors) market is estimated at 24 million units a year. Within this market, the engineered finished door category (primarily customised doors tailor-made to specific requirements) is witnessing a 20-25% year-on-year growth following growing benefit awareness. For instance, the Bombay Fire department has compulsorily mandated the use of fire-resistant doors in all Mumbai apartment high-rises in addition to having these doors across common areas before it issues a no-objection certificate.

### Greenlam's positioning

With production commencing in September 2015, the year under review was one of market seeding. The division provided comprehensive solutions as distinct from product sale through a full-fledged services and installation team.

The division's competitiveness was drawn from a strong brand support (Greenlam), Mikasa brand recall, strategic location of the manufacturing facility in Behror adjacent to the Company's existing infrastructure (sharing utility costs), a focused 18-member sales and marketing team, scalable capacity, exports to the Middle East, Africa and UK (establishing strong product credentials) and a pan-India presence.

### Initiatives for 2016-17 and beyond

The division intends to seed the market, manufacture superior quality stock and customised doors, and grow the Mikasa brand recall. The Company can manufacture customized and stock doors across shifts in its Behror plant. The division intends to appoint dealers and grow its secondary distribution layer.

## Information technology

Greenlam Industries has strived to be an early adopter of information technology for furthering its business objectives. It operates an 'industry grade' data centre based out of Delhi with IT continuity redundancy through another setup located in Behror, Rajasthan. The IT landscape includes business-critical services like SAP, Intranet portal Greenlamlife, corporate email, bar code-based production tracking at Behror and Nalagarh plants and a secure MPLS network allowing seamless flow of information between all our offices, plants, regional distribution centres (RDCs) and international offices. The uptime has been almost 99.5% across our entire IT landscape.

### Key IT highlights, 2015-16

- Automization of receivable management.
- Established complaint resolution application for laminates, veneers and export divisions
- Launched brand support portal for Mikasa

### Key initiatives planned for 2016-17

- Plan to leverage software for taking advantage of data analytics and business intelligence
- Enable mobility of SAP/ non-SAP application
- Readiness of GST platform and implementation will be taken care of after seeking further notifications and plans by the government



# Opportunities and growth drivers

## Demographic impetus

Home furniture in India is available in a wide range, to cater to different customer needs. A typical middle-class urban Indian home has five rooms (including kitchen and bathroom). ~25% of the urban population lives in homes with five rooms or more, while ~45% live in houses with three rooms or less and ~16% are estimated to live in single-room homes. The type of furniture used depends on the customer's affluence and taste. The rich and upper middle-class is typically very attentive to design and quality, so price is rarely a determining factor. In general, European style furniture is only found in homes of the urban upper class. Demand for furniture of international standards is limited to the larger cities. It is also estimated that the wealthier classes do not change furniture very frequently; the average life of a piece of furniture is about 20 years and some craftsmen's pieces are used for as long as 50-70 years. Colonial furniture is still very common in India, but the trend seems to be declining slowly. The office furniture segment caters to the commercial and office space. This segment has witnessed rapid growth in recent years, in line with the growth in the Indian economy and subsequent demand for office space. The thrust on real estate and office construction is expected to sustain in the near future, indicating continued growth for the furniture industry.

## Growing tourism

The number of foreign tourists has increased over the last three years. These trends indicate significant potential for growth in the contract furniture segment. To sum it up, the furniture market in India is growing on strong fundamentals, with demand drivers likely to sustain over the medium term. At the same time, the supply side is also encouraging, as India has sufficient availability of key raw materials that are used as inputs for furniture making.

## Value chain

The Indian furniture industry covers the gamut of activities, from sourcing, manufacturing and distribution, to sales and after sales. In the Indian context, players are actively engaged in each of these activities. Various types of raw materials are used for furniture making in India. The key raw materials include wood, metal and plastic, with bamboo and cane also being used in some cases. Wood accounts for nearly 65% of all furniture made in India. This includes several types of indigenous wood, as well as imported wood. India imports wood from various South East Asian countries such as Indonesia, Malaysia and Myanmar. It also imports MDF boards from Europe.

## Abundant resources

India is one of the largest consumers of wood in South East Asia. The country has sufficient availability of

tropical wood. In recent years, growing concerns about the environment and the need for conservation of forests have led to reduction in the supply of wood. India imports wood from various countries like Malaysia, Indonesia, Myanmar, and Ivory Coast, among others. MDF boards are imported from Europe, soft and hard wood are imported from Russia and other South East Asian countries. Veneered panels are becoming increasingly popular in India and are imported from the EU and the US.

## Aesthetic factors

Furniture produced in India falls into two broad categories, depending on the end user; domestic furniture meant for home use and commercial furniture meant for the office and hospitality sectors. Domestic furniture represents almost two-thirds of the total output. The key success factors for each category vary. Manufacturers in the domestic sector typically try to differentiate on the basis of design variety and price, while in the commercial space, having a strong and reliable brand is important.

## Retail revolution

There are a large number of furniture retailers and franchises spread across the country. While the majority of retailers are small in size and scale, large retailers usually operate in urban markets. One-stop shopping chains for home building solutions have come up in large cities. Another development has been the emergence of specialty furniture chains. With the rapidly growing and transforming retail sector, it is expected that the large retailers will continue to expand their presence, leading to consolidation in furniture retailing in urban markets.

## Increasing consumption

Upwardly mobile Indians are increasingly buying differently styled furniture and frequently employ interior designers, to suggest and choose the right furniture. A major factor that has propelled the growth in the imported furniture market is the increasing exposure of Indians to global trends and lifestyles. Such exposure, coupled with increased disposable incomes, has caused more and more urban middle-class consumers to hire the services of interior decorators, for doing up their houses.

## Ascendant middle-class

Income levels in India have been growing rapidly over the past decade and this trend is expected to continue. This has led to an increase in the number of middle class and affluent households- the number of households of the rich and consuming segment has more than doubled between 2005 and 2015. Average household income in urban areas has grown at a CAGR of 5% over the past decade. By 2020, the higher income earning group (>US\$ 2,000) is expected to constitute 48% of the total



earning population in India. Coupled with this is the increased propensity to spend on lifestyle and consumer products, driven by trends like increasing number of double income families, increased ease of financing for consumer durables and increased exposure to global products.

### Housing boom

The growth in the Indian economy has also had a positive impact on the growth of real estate and commercial properties in India. There has been all-round growth

in both, the manufacturing and services sectors. In particular, the growth in the services sector, which now constitutes more than the 50% of the GDP, has led to rapid development in the realty sector in India.

### Emerging trends

The Indian furniture industry is gradually transforming into a more organised and competitive sector. The entry of global brands in the sector, emergence of large retail players and the resultant consolidation, are trends that highlight this transformation.

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## Threats

- Increase in cheaper imports of furniture and flooring products from China
- Lack of modernisation and innovative design, dearth of skilled labour, limited market access and lack of quality control are certain key issues restricting the growth of India's furniture industry.
- Sluggish real estate sector that impacts downstream furniture makers in the country

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## Risk mitigation

At the heart of the Company's risk management plans there exists a comprehensive and integrated risk management framework. Greenlam Industries embraces a full-fledged risk control matrix that enables it to proactively forecast the impact of key risks facing its business and bring forth commensurate mitigation strategies. The Company is also taking necessary steps for making application for imposition of anti-dumping duty on import flooring products.

**Industry risk:** Despite the general wood panel industry growing by about 6-7% in 2015-16, Greenlam Industries achieved a much faster growth of 11% during the same year. This outperformance not only enabled the company to acquire a larger market share (domestic laminate market share grew 130 bps to 13.5% in 2015-16) but also cement its position as India's largest and fastest growing decorative surface panel company. The Indian laminates industry is pegged at about 120 mn sheets per annum with the organized segment having a 60% share and the unorganized segment the rest of the 40%. However, the share of the organized segment is growing almost 2x faster than that of the unorganised one on account larger disposable incomes and an overall affinity towards reliable, durable and guaranteed products, characteristics of brands, that have also emerged as status symbols. Moreover, the 0.8 mm laminate segment is the largest selling product in the market in which Greenlam Industries enjoys the highest share. Besides, Greenlam Industries is also India's largest exporter of laminates that enables it to mitigate geographic and income concentration risks.

**Product risk:** Greenlam Industries offers the largest and widest range of decorative surfacing products (laminates, decorative veneers, engineered wood flooring and engineered doors) that suits the widest range of budgets, tastes and applications. Moreover, the Company's products are available from metro cities right up to Tier-IV towns, ensuring the widest pan-India availability through a 12,000+ network of distributors, dealers and retailers. Besides, the Company's innovation intensity is reflected in the fact that it launched several new variants during the year under report, thereby sustaining marketplace excitement. The year 2015-16 was also the first full year of the engineered wood flooring business and the response received to this unique and distinctive product range was very encouraging with the business reporting a revenue of ₹16.3 crore in its maiden full year.

**Brand risk:** Greenlam Industries initiated several ground-level activations with a view to strengthen brand connect among its core target constituency including interior designers, architects and carpenters. Besides, the company also participated in several large national and international exhibitions to widen brand awareness.



It also reinforced its digital presence through brand updations and taking up the larger cause of home and office interiors that resulted in over 1 mn likes on its Facebook page. As an interesting initiative, the company's New Mika range of laminates has been positioned as a flanking price warrior to the mother brand of Greenlam, which not only enables it to thwart competitive pressures on Greenlam but also capture a larger share of the mass market. The company also revamped the identity of Decowood with a new logo to leave behind the legacies of the past and infuse a breath of freshness.

**Financial risk:** The Company has adequate and open line of funds to enable it to meet its working capital requirements. Besides, it is fully-invested in terms of its capacities and hence does not foresee any major capex coming year. With a debt equity ratio of 0.97 and interest cover of 4.5 times at the close of 2015-16, the company is comfortably placed with regards to meeting its debt obligations. It is also important to mention that Greenlam Industries also enjoys certain inherent financial benefits with the Nalagarh plant enjoying excise duty exemptions and 30% income tax exemption up to 2019.

**Input availability and cost risk:** Thanks to a strategic location of its plants (Behror and Nalagarh) which ensures closeness to key raw material resources, including paper and chemicals, as well as end markets, the Company is able to optimise its logistics cost significantly. With crude and general commodity costs remaining well below their peaks, the company was able to draw the benefits of lower raw material costs, which declined 530 bps as a percentage of turnover from 60.6% in 2014-15 to 55.3% during the year under review. The company hopes to sustain the benefits of lower resource costs during the current year as well with crude widely estimated to remain range-bound.

**Quality risk:** Greenlam Industries has invested in world-class production technologies that ensure consistent output conforming with the highest certification standards. All the Company's units are ISO 9001-certified.

**IT risk:** Greenlam Industries possesses state of the art IT in terms of SAP-based ERP that integrates the entire ecosystem to ensure the availability of real-time information that in turn enhances the quality of decision making and to ensure the contemporariness of systems and processes.

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## Outlook

India's Planning Commission has projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five Year Plan, a sector that has contributed to the country's reputation as one of the fastest growing economies of the world.

India's high rate of urbanisation compelled by the mushrooming middle-class has enhanced the need for proper infrastructure. In 2011, there were about 377 million people living in cities; a figure that could touch 590 million by 2030 and have a direct bearing on 70% of the country's GDP. (Source: McKinsey).

Moreover, The Economist has indicated that infrastructure spending and growth of India's lower middle-class will lift GDP over the coming years and reach 5.7% by 2017.

According to industry experts, the demand for residential spaces is forecasted to hit 4.25 million units while the demand for office space is expected to hit 400 million sq. ft in 2015. The upcoming segment is contract furniture, which is being driven by the increasing hospitality industry and growing tourism across the country. This level of growth and development has clear implications for the growth of the interiors sector with products and services witnessing exponential demand and auguring well for the sector in the years ahead.

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## Human resource

Greenlam Industries' human resource is its most effective advantage in a competitive marketplace. With a workforce of over 1700, the Company's HR policy and practices focus on rejuvenating its intellectual capital and drive benefits of thinking ahead of the market and capitalizing on opportunities with speed and surety.

### Highlights, 2015-16

Some of the company's core developments on the HR

front during the year under review included the following:

- Institutionalized HR across the company and subsidiaries to have a composite repository of comprehensive employee information
- Significantly invested in motivating the workforce with incentives peaking at an all-time high of ₹2.5 crore that was disbursed during the year. This kept the team motivated, loyal and energetic

- Standardized recruitment through creating robust systems and processes to ensure that only those qualified whose skillsets matched with the requirements; this also curtailed attrition
  - Focused on training with increase in Man-days of training per employee from 1.32 to 2.18 for the year under report; over the current year, we expect to establish a professional e-learning module that will not only enhance learning convenience among our employees but will also allow us to track and monitor the level of learning within the organization
  - The Mitra initiative was extended during the year with the employee Intranet portal open for all to log in a query or a grievance and with a redressal tracking mechanism to close these the quickest
  - Our female diversity index has been improved substantially w.r.t the year 2014-15. The female – male ratio is now 1: 7, wherever it was 1:9 in the past.
  - SLA- Service Level Agreement defined between Sales and Supporting functions to meet common goal with clear defined accountability.
- enhancement to not only raise the quality of the overall corporate but also upgrade employee skills and hence careers
- With a view to professionalise payroll, to outsource the function to E&Y to ensure that all statutory and regulatory compliances are met to the highest level
  - Initiate a quarterly performance appraisal (instead of the annual one) to identify and initiate course corrections while simultaneously provide ongoing feedback to employees to keep them motivated and energetic
  - Focus on capabilities enhancement through structure interventions, both on functional and behavioral side
  - Engagement activities around our core values system to ensure and deliver cultural alignment across the organization and aspire for “Great Place to Work” title in next two years’ time and to ensure delivery of desired performance levels.
  - Automation of few key HR processes to bring in speed & transparency in the system.
  - Define and deliver a strong employer brand value proposition to attract best talent across the industry.

### Initiatives planned for 2016-17

- To create a culture of learning and knowledge

## Financial performance

Below is the brief summary of the financial performance for the year ended March 31, 2016:

(₹ in lacs)

Total revenue	93812.22
EBIDTA	12391.92
Depreciation	3151.25
Profit before tax	6499.01
Profit after tax	4033.78

## Internal control systems and their adequacy

The Company has in place robust internal control procedures commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines, verifying 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 so that the company’s main risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

# Corporate Governance Report



FOR THE FINANCIAL YEAR 2015-16

As required under Regulation 34(3) read with Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '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:

As on March 31, 2016, the Board of the Company comprises 6 (six) directors;

- One Non - Executive Promoter Chairman
- Two Executive Promoter Directors
- Three Non-Executive Independent Directors

The Company has also complied with the requirements of having woman director on its Board. The Company has three woman directors on its Board as of March 31, 2016.

The composition of the Board is in accordance with Regulation 17 (1) of SEBI Listing Regulations.

The Independent Directors do not have nor had any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year apart from receiving the sitting fees and reimbursement of expenses incurred for attending the Board/Committee meetings. All the Independent Directors have satisfied the criteria/conditions of independence as laid down in Regulation 16(1) (b) of the SEBI Listing Regulations.

### b) Attendance of each director at the meeting of the Board and the last Annual General Meeting and also number of other board of directors or committees in which a director is a member or chairperson:

During the Financial Year 2015 - 16, five (5) Board meetings were held on May 28, 2015; July 30, 2015; November 04, 2015; January 22, 2016 and March 15, 2016.

The composition of the Board of the Company and directors' attendance at the board meetings during the year 2015 - 16 and at the last Annual General Meeting and also the number of other Boards or Board Committees in which the directors are member/chairperson as on March 31, 2016 are as follows:

Sl. No.	Name of the Directors and Director Identification Number (DIN)	Category of directorship	No. of Board Meetings		Attendance at Last AGM held on August 24, 2015	No. of outside directorship held		No. of outside committees® (in public§ limited companies)	
			Held	Attended		Public§	Private	Member#	Chairman
1.	Mr. Shiv Prakash Mittal (DIN: 00237242)	Non - Executive Chairman - Promoter Director	5	3	Yes	2	1	-	-
2.	Mr. Saurabh Mittal (DIN: 00273917)	Managing Director & CEO - Promoter Director	5	5	Yes	2	8^	-	-
3.	Ms. Parul Mittal** (DIN: 00348783)	Director - Design & Marketing - Promoter Director	5	5	No	-	3	-	-
4.	Mr. Vijay Kumar Chopra (DIN: 02103940)	Non - Executive -Independent Director	5	5	Yes	9	1	8	5
5.	Ms. Urvashi Saxena (DIN: 02021303)	Non - Executive -Independent Director	5	5	Yes	2	-	2	-
6.	Ms. Sonali Bhagwati Dalal (DIN: 01105028)	Non - Executive -Independent Director	5	5	No	1	2	-	-

@Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only have been considered.

#Number of Membership also includes Chairmanship held in the Committee(s).

^Includes Directorships in foreign companies.

\*\* Appointment of Ms. Parul Mittal as a director was regularized at the last AGM.

§ Includes Indian Private Limited Company which is a subsidiary of Public Limited Company

None of the Directors on the Board is a member of more than 10 (ten) Committees and 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), the membership / chairmanship of the Audit Committee and the Stakeholders' Relationship Committee only have been considered.

### c) Information supplied to the Board of Directors:

During the Financial Year 2015 - 16, all necessary information, as required under the applicable provisions of, the Companies Act, 2013 ("Act, 2013"), erstwhile SEBI Equity Listing Agreement, Part A Schedule II of SEBI Listing Regulations and Secretarial Standards - 1 ("SS - 1") and other applicable laws, rules and regulations were placed and discussed at the Board Meetings.

### d) Separate Meeting of Independent Directors

During Financial Year 2015 - 2016, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on March 15, 2016 without the presence of the Non - Independent Directors and the members of the management. 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 and for assessing the quality, quantity and timelines of flow of information between the Company management and the Board.



**e) Shareholding of Non-Executive Director(s)**

As on March 31, 2016, none of the Non - executive directors was holding any shares or convertible instruments in the Company except Mr. Shiv Prakash Mittal who is holding 506000 equity shares.

**f) Familiarisation programme for Independent Directors:**

The Company has conducted the Familiarisation program for Independent Directors during the financial year 2015 - 16. The details for the same have been disclosed on the website of the Company at <http://www.greenlamindustries.com/pdf/DetailsofFamiliarizationProgrammesImpartedtoIndependentDirectors.pdf>

**g) Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:**

Name of the Director	Mr. Shiv Prakash Mittal
Father's Name	Late Mr. Sanwamal Palriwal
Date of Birth	April 07, 1949
Date of Appointment	August 12, 2013
Expertise in specific functional areas	Mr. Shiv Prakash Mittal holds a bachelor's degree in science from the University of Calcutta. He is one of the founders of Greenply Industries Limited. He was also associated with Kitply Industries Limited for 21 (twenty one) years. He has over thirty years of experience in the fields of production and marketing in plywood, laminates and allied products.
Qualification	B.Sc.
Directorship held in other listed companies	Greenply Industries Limited
Chairman/member of the committee of the Board of Directors of the Company	<b>Chairman:</b> a) Stakeholders' Relationship Committee <b>Member:</b> a) Nomination & Remuneration Committee b) Corporate Social Responsibility Committee c) Operational & Finance Committee
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	<b>Chairman:</b> NIL <b>Member:</b> a) Nomination & Remuneration Committee (Greenply Industries Limited) b) Operational Committee (Greenply Industries Limited)
Number of shares held in the Company	506000 equity shares

**h) Disclosures of relationships between directors inter - se:**

Name of the Directors	Category of Directorship	Relationship between directors
Mr. Shiv Prakash Mittal	Non - Executive Chairman - Promoter Director	Mr. Saurabh Mittal (Son) and Ms. Parul Mittal (Son's wife)
Mr. Saurabh Mittal	Managing Director & CEO - Promoter Director	Mr. Shiv Prakash Mittal (Father) and Ms. Parul Mittal (Spouse)
Ms. Parul Mittal	Director - Design & Marketing - Promoter Director	Mr. Shiv Prakash Mittal (Father in law) and Mr. Saurabh Mittal (Spouse)
Mr. Vijay Kumar Chopra	Non - Executive - Independent Director	None
Ms. Urvasi Saxena	Non - Executive - Independent Director	None
Ms. Sonali Bhagwati Dalal	Non - Executive - Independent Director	None



### 3. Code of Conduct

Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website [www.greenlamindustries.com](http://www.greenlamindustries.com). Annual declaration by the Managing Director & CEO of the Company pursuant to Schedule V (Part D) of SEBI Listing Regulations and Listing Agreement entered into with the Stock Exchange is attached with the Annual Report.

### 4. Audit Committee

#### Composition:

As on March 31, 2016, the Audit Committee of the Company comprises of four directors i.e. three Non-Executive Independent Directors and one Executive - Promoter Director

Sl. No.	Name of the Committee Members	Designation
1.	Ms. Urvashi Saxena (Independent Director)	Chairperson
2.	Mr. Vijay Kumar Chopra (Independent Director)	Member
3.	Mr. Saurabh Mittal (Managing Director & CEO)	Member
4.	Ms. Sonali Bhagwati Dalal (Independent Director)	Member

Mr. Prakash Kumar Biswal, Company Secretary & Asst. 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 Companies Act, 2013.

#### Terms of Reference for the Audit Committee are as follows:

##### Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain external, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

##### Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub - section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report;



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation 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.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- f. Statement of deviations:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Meetings and attendance:

During the Financial Year 2015 - 16, 5 (five) meetings of the Audit Committee were held on May 28, 2015; July 30, 2015; November 04, 2015; January 22, 2016 and March 15, 2016.

The attendances of Committee Members were as under:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Urvashi Saxena	Non - Executive Independent Director	5	5
Mr. Saurabh Mittal	Executive - Promoter Director	5	5
Mr. Vijay Kumar Chopra	Non - Executive Independent Director	5	5
Ms. Sonali Bhagwati Dalal	Non - Executive Independent Director	5	5

## 5. Nomination and Remuneration Committee

### Composition:

As on March 31, 2016, the Nomination and Remuneration Committee of the Company comprises of three directors.

Sl. No.	Name of the Director	Designation
1.	Mr. Vijay Kumar Chopra (Non - Executive Independent Director)	Chairman
2.	Mr. Shiv Prakash Mittal (Non - Executive Chairman)	Member
3.	Ms. Urvashi Saxena (Non - Executive Independent Director)	Member

### Terms of Reference for the Nomination and Remuneration Committee

- To formulate criteria for:
  - determining qualifications, positive attributes and independence of a director;
  - evaluation of Independent Directors and the Board.
- To devise and recommend policies on:
  - 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;
  - board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.
- To identify persons who are qualified to:
  - become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
  - 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.
- To carry out evaluation of the performance of every director of the Company;
- 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.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.



### Meetings and Attendance:

During the Financial Year 2015 - 16, one meeting of Nomination and Remuneration Committee was held on January 22, 2016 and the attendances of Members were as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Vijay Kumar Chopra	Non-executive - Independent director	1	1
Mr. Shiv Prakash Mittal	Non-Executive - Promoter director	1	1
Ms. Urvashi Saxena	Non-executive - Independent director	1	1

### Performance evaluation criteria for Independent Directors

Details of the performance evaluation criteria for Independent Directors of the Company is provided in the Directors' Report forming part of the Annual Report of the Company.

## 6. Remuneration to Directors and Disclosures

### Summary of Remuneration Policy of the Company

The Board has adopted the Remuneration Policy at the recommendation of the Nomination and Remuneration Committee in compliance with section 178 of Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations. This policy applies to all the "Executives" of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter. In keeping with the provisions of section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary), 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 fee 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 is placed on the website of the company at [www.greenlamindustries.com](http://www.greenlamindustries.com)

#### (I) Executive Directors

The details of remuneration including commission to all Executive Directors for the Financial Year ended March 31, 2016 is as follows and the same is within the ceiling prescribe under applicable provisions of the Act, 2013.

Name and Designation	Service Contract / Notice Period*	Salary (₹)	Commission (₹)	Provident Fund (₹)	Perquisites and other allowances (₹)
Mr. Saurabh Mittal (Managing Director & CEO)	Appointed as Managing Director & CEO for five years w.e.f. November 11, 2014	1,68,00,000.00	1,40,21,000.00	15,84,000.00	Nil
Ms. Parul Mittal (Director -Design & Marketing)	Appointed as Director - Design & Marketing for five years w.e.f. November 11, 2014	90,00,000.00	70,80,000.00	10,80,000.00	Nil

\*The appointment may be terminated by either party by giving three months' notice or salary in lieu thereof or by mutual consent.

Out of the above remuneration, the salary, contribution to provident 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 '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 2015 - 16 are as follows:

Name	Service Contract / Notice Period	Sitting Fees* paid (₹)	Commission* payable (₹)	Number of shares and convertible instruments held in the Company
Mr. Shiv Prakash Mittal	Retire by rotation	Nil	Nil	5,06,000
Mr. Vijay Kumar Chopra	Appointed for 5 years as Independent Director at the Annual General Meeting of the Company held on October 30, 2014	2,80,000.00	7,50,000.00	Nil
Ms. Urvashi Saxena	-do-	2,80,000.00	7,50,000.00	Nil
Ms. Sonali Bhagwati Dalal	-do-	2,80,000.00	7,50,000.00	Nil

\*excluding applicable service tax

No sitting fee is paid to the Chairman and the Executive Directors for attending the Board Meetings or Committee Meetings thereof. The necessary approvals were obtained from shareholders wherever required.

Except as mentioned above, there was no pecuniary relationship or transaction of the Directors vis-à-vis the Company. The Company has not granted any stock option to its Directors.

The criteria for making payment to Non - Executive Directors is disclosed on the website of the Company at [www.greenlamindustries.com](http://www.greenlamindustries.com)

## 7. Stakeholders' Relationship Committee

### Composition:

As on March 31, 2016 the Stakeholders' Relationship Committee of the Company comprises of 2 (two) promoter directors of the Company.

Sl. No.	Name of the Director	Designation
1.	Mr. Shiv Prakash Mittal (Non - Executive Promoter Director)	Chairman
2.	Mr. Saurabh Mittal (Executive Promoter Director)	Member

Mr. Vijay Kumar Chopra resigned from the Committee with effect from December 30, 2015.

Mr. Prakash Kumar Biswal, Company Secretary & Asst. Vice President of the Company, acts as the Secretary to the Committee and Compliance Officer of the Company.

### Terms of Reference for 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 of shares,
  - b. Non - receipt of annual reports,
  - c. Non - receipt of declared dividend,
  - d. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - e. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.



- ii. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- iii. To review and / or 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.
- iv. To review and approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
- v. Appointment and fixing of remuneration of RTA and overseeing their performance;
- vi. Review the status of the litigation(s) filed by/against the security holders of the Company;
- vii. Review the status of claims received for unclaimed shares;
- viii. Recommending measures for overall improvement in the quality of investor services;
- ix. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- x. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- xi. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

The table below gives the number of complaints received, resolved and pending during the year 2015-16.

**Number of complaints:**

Received	Resolved	Pending
4	4	Nil

**Meetings and Attendance:**

During the Financial Year 2015 - 16, one meeting was held on March 31, 2016 and the attendances of Committee Members were as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Shiv Prakash Mittal	Non - executive - Promoter Director	1	1
Mr. Saurabh Mittal	Executive - Promoter Director	1	1

## 8. Corporate Social Responsibility Committee:

Corporate Social Responsibility (CSR) Committee of the Company is constituted as per Section 135 of the Act, 2013. CSR Committee, inter alia, had formulated and recommended to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act, 2013. The CSR Committee recommends the amount of expenditure to be incurred on the CSR activities and monitor the CSR activities undertaken by the Company from time to time.

**Composition of the Committee:**

As on March 31, 2016 the Corporate Social Responsibility Committee of the Company comprises of four directors.

Sl. No.	Name of the Director	Designation
1.	Mr. Saurabh Mittal (Executive Promoter Director)	Chairman
2.	Mr. Shiv Prakash Mittal (Non - Executive Promoter Director)	Member
3.	Ms. Parul Mittal (Executive Promoter Director)	Member
4.	Ms. Sonali Bhagwati Dalal (Non - Executive Independent Director)	Member

### 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:

One meeting was held on February 15, 2016 and the attendances of Committee Members were as follows:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Saurabh Mittal	Executive - Promoter Director	1	1
Ms. Sonali Bhagwati Dalal	Non - Executive Independent Director	1	1
Mr. Shiv Prakash Mittal	Non - Executive - Promoter Director	1	0
Ms. Parul Mittal	Executive - Promoter Director	1	1

## 9. Demerger Committee

The Demerger Committee which was constituted to look after the activities of the Company in connection with the listing of equity shares of the Company with National Stock Exchange of India Limited and BSE Limited comprising of Mr. Shiv Prakash Mittal, Mr. Saurabh Mittal and Ms. Parul Mittal was dissolved at the Board meeting of the Company held on January 22, 2016. There was no meeting of the Committee held during the year prior to its dissolution.

## 10. Operational & Finance Committee

As on March 31, 2016 the Operational & Finance Committee of the Company comprises of three directors.

Sl. No.	Name of the Director	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 matters assigned to it by the Board of the Company from time to time.

During the Financial Year 2015 - 16, 13 (thirteen) meetings of the Operational & Finance Committee were held.

## 11. 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.



## 12. General Body Meetings

- i. The details of previous two Annual General Meeting (AGM) of the shareholders and Special Resolutions passed thereat are as under:

Financial year	Date of AGM	Venue	Time
2014-15	24.08.2015 (2nd AGM)	“ROYALIDE”, Hotel Royal Highness, G.N.B Road, Tinsukia, Assam - 786 125	9:30 A.M.
2013-14	30.10.2014 (1st AGM)	Registered Office at Makum Road, Tinsukia, Assam - 786 125	9:00 A.M.

- ii. Special resolutions passed at the previous Annual General Meetings are as below:

At the 2nd Annual General Meeting held on August 24, 2015: NIL

At the 1st Annual General Meeting held on October 30, 2014:

Resolution pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, for Alteration of Article of Association of the Company.

- iii. The Details of Special Resolutions passed through postal ballot during the Financial Year 2015 - 16:

During the year under review, shareholders' approval was obtained on May 7, 2015, to the Special Resolutions through postal ballot, in respect of the following matters as detailed in the Notice dated March 28, 2015. Promoter and members of the promoter group did not participate in the postal ballot voting.

**Resolution No. 1:** Resolution under Section 197 and other applicable provisions, if any, of the Companies Act, 2013, and allied rules there under and applicable provisions of the Equity Listing Agreement for payment of Annual Commission to Independent Directors of the Company.

**Resolution No. 2:** Resolution under Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and allied rules thereunder and applicable provisions of the Equity Listing Agreement for sale of products to Subsidiaries of the Company.

**Resolution No. 3:** Resolution under Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and allied rules thereunder and applicable provisions of the Equity Listing Agreement for Availing of Information Technology and Business Auxiliary Services from Greenply Industries Limited.

**Resolution No. 4:** Resolution under Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and allied rules thereunder and applicable provisions of the Equity Listing Agreement for Sale to or purchase from Greenply Industries Limited of raw materials, semi-finished and finished goods.

The details of the voting pattern in respect of Special Resolution passed for the above mentioned resolutions are as under:

Resolution	No. of votes polled	No. of valid votes polled	No. of invalid votes polled	No. of Valid Votes - in favour	No. of Valid Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Resolution No. 1	1949307	1949205	102	1949192	13	99.99	0.01
Resolution No. 2	1949307	1949155	152	1949112	43	99.99	0.01
Resolution No. 3	1949307	1949155	152	1949154	1	99.99	0.01
Resolution No. 4	1949307	1949155	152	1949112	43	99.99	0.01

- iv. The Board had appointed Ms. Nivedita Shankar, a Practising Company Secretary, as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.
- v. Procedure for Postal ballot: Procedure for Postal Ballot was given in the Postal Ballot Notice dated March 28, 2015 which is available at [www.greenlamindustries.com](http://www.greenlamindustries.com).
- vi. There is no immediate proposal for passing any resolution through Postal Ballot.

### 13. Means of communication

The quarterly/half-yearly/annual financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board of Directors. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in english newspaper circulating the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website. The official press releases and/or presentation are also available on the Company's website.

Details about the means of communication:

Recommendation	Compliance
Quarterly/Annual results	Published in leading newspapers
Newspapers wherein results are normally published	Ajir Dainik Batori, Ajir Asom or Amar Asom (Assamese daily), Business Standard or Financial Express (English Daily)
Any website, where displayed	www.greenlamindustries.com
Whether it also displays official news releases and presentation made to institutional investors or to the analysts.	Yes

### 14. General shareholders' information

i.	Date, time and venue of the Annual General Meeting	On Wednesday, August 24, 2016 at 9.30 a.m. at Registered Office: Makum Road, Tinsukia, Assam - 786 125
ii.	Financial Year	Financial year of the Company is from April 01 to March 31. Publication of results for the Financial Year 2016 - 17 (tentative and subject to change) a) First quarter results: On or before August 14, 2016 b) Second quarter and half year results: On or before November 14, 2016 c) Third quarter results: On or before February 14, 2017 d) Fourth quarter results and results for the year ending March 31, 2017: On or before May 30, 2017.
iii.	Dates of book closure	From August 18, 2016 to August 24, 2016 (both days inclusive)
iv.	Dividend payment date	Between August 28, 2016 and September 02, 2016
v.	Listing of Equity Shares at Stock Exchanges:	BSE Ltd. (BSE) Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001 National Stock Exchange of India Ltd.(NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051
vi.	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the Financial Year 2016-17 has been duly paid by the Company.
vii.	Stock Code/Symbol	BSE Scrip Code: 538979 NSE Symbol: GREENLAM



i. Market price data for the Financial Year 2015 - 16:

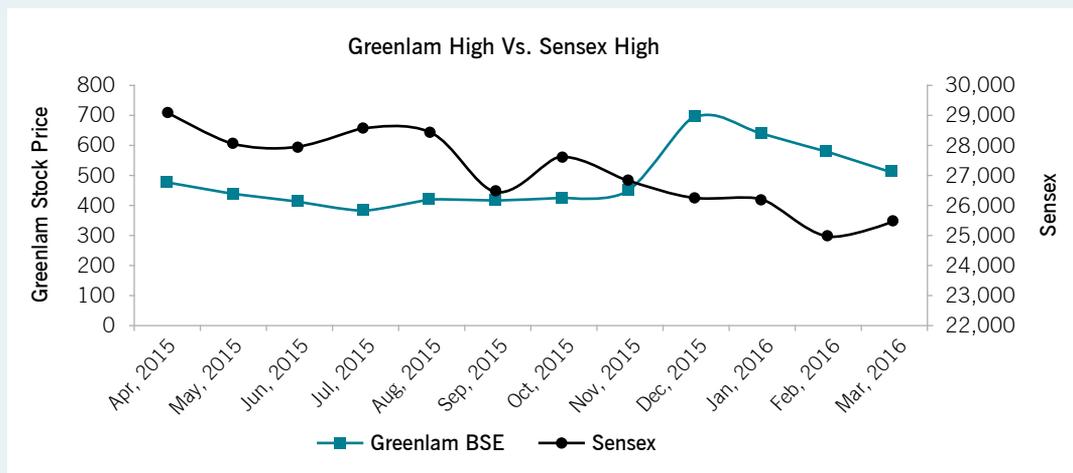
Amount in (₹)

Month	At BSE		At NSE	
	High	Low	High	Low
April, 2015	474.90	351.20	455.05	331.25
May, 2015	439.00	380.00	448.95	368.00
June, 2015	415.00	320.00	431.45	310.00
July, 2015	384.70	301.00	383.00	299.00
August, 2015	419.70	330.00	419.00	330.00
September, 2015	418.00	346.00	414.00	347.35
October, 2015	426.00	385.00	430.00	362.00
November, 2015	451.00	400.20	450.00	397.95
December, 2015	694.00	432.10	684.00	436.00
January, 2016	640.00	521.00	644.95	539.90
February, 2016	580.00	450.00	565.60	442.00
March, 2016	509.00	455.00	529.85	461.00

ii. E-mail ID for Investors: investor.relations@greenlam.com

iii. Performance in comparison to broad based indices - BSE Sensex:

Greenlam Industries Limited share performance:



During the financial year 2015-16, the securities of the Company were not suspended from trading.

Registrars & Share Transfer Agent	<b>Link Intime India Private Limited</b> Contact: Mr. Bharat Bhushan 44, Community Centre, 2nd floor, Naraina Industrial Area, Phase-1, PVR Naraina, New Delhi-110028 Ph. no.: 011-41410592, Fax no.011-41410591 Email id: 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. The formalities for transfer of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute. The half year Compliance Certificate pursuant to Clause 47(c) of erstwhile Listing Agreement for the half year ending September 30, 2015 and Regulation 40 (9) of SEBI Listing Regulations for March 31, 2016 issued by Mr. Pramod Kumar Pal, Practicing Company Secretary, have been duly submitted to stock exchanges.
Unpaid/Unclaimed Dividend	The amount of unpaid/ unclaimed dividend lying in the unclaimed dividend account as on March 31, 2016 is ₹10,847.50

iv. Distribution of equity shareholding as on March 31, 2016.

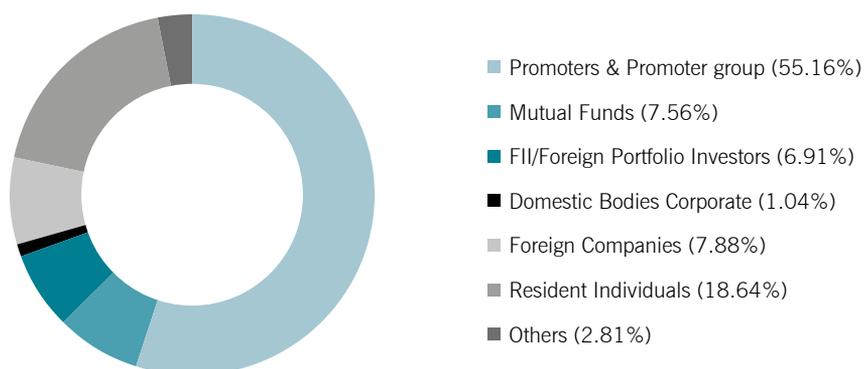
a. Distribution of shareholding by size is as given below:

Range in number of shares held	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shares held
1-500	3817	89.71	337989	1.40
501-1,000	199	4.67	145008	0.60
1,001-2,000	102	2.40	145164	0.60
2,001-3,000	37	0.87	90820	0.38
3,001-4,000	24	0.56	84065	0.35
4,001-5,000	11	0.26	49776	0.20
5,001-10,000	22	0.52	148815	0.62
10,001 and above	43	1.01	23134737	95.85
<b>Total</b>	<b>4255</b>	<b>100.00</b>	<b>24136374</b>	<b>100.00</b>

b. Distribution of shareholding by category is as given below:

Category of Shareholders	Number of shares	Percentage of shares
Promoters and Promoter Group	1,33,12,628	55.16
Mutual Funds	18,26,049	7.56
FII/Foreign Portfolio Investors	16,64,911	6.91
Domestic Bodies Corporate	2,50,378	1.04
Foreign Companies	19,01,342	7.88
Resident Individuals	44,99,373	18.64
Others	6,81,693	2.81
<b>Total</b>	<b>2,41,36,374</b>	<b>100.00</b>

Graphical representation



Dematerialisation of shares and liquidity

The Company's Equity Shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE544R01013. Nearly 99.86% of total listed Equity Shares have been dematerialised as on March 31, 2016.



v. **Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity:** Nil

vi. **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 our chemical consumption is linked to crude prices. Company maintains a policy of hedging its 60 days of consumption by doing forward buying.

vii. **Corporate Identity Number (CIN):** L21016AS2013PLC011624

viii. **Plant locations:**

- RIICO Industrial Estate, Phase II, P.O. Behror, Dist: Alwar, Rajasthan - 301701
- Village Paterh Bhonku, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh - 174101

ix. **Address for correspondence:**

<p>Registrar: <b>Link Intime India Pvt Limited</b>            Contact: <b>Mr. Bharat Bhushan</b>            44, Community Centre, 2nd floor            Naraina Industrial Area, Phase-1            PVR Naraina, New Delhi-110028            Ph. No: 011-41410592            Fax No: 011-41410591            Email id: delhi@linkintime.co.in</p>	<p>Company: <b>Greenlam Industries Ltd.</b>            Contact: <b>Mr. Prakash Kumar Biswal, Company Secretary &amp; Asst. Vice President – Legal</b>            1501 – 1505, Narain Manzil,            23, Barakhamba Road, New Delhi – 110 001            Phone No: 011 – 42791399            Fax No: 011 – 42791330            Email id: investor.relations@greenlam.com</p>
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## 15. Other Disclosures

- The Company does not have 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 Statement.
- The financial statements have been made in accordance with the Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.
- There is no case of non – compliance of any statutory compliance for the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges i.e. BSE & NSE or Securities and Exchange Board of India or any statutory authority on any matter related to the capital market, since the incorporation of the Company.
- The Company has in place Vigil Mechanism / Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and Act, 2013.
- The Company has also 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 separating the post of Chairman and Managing Director / Chief Executive Officer.
- The Policy for determining 'material' subsidiaries is disclosed on the website of the Company and can be accessed at [http://www.greenlamindustries.com/pdf-file/policy-for-determining-material-subsidaries\\_greenlam.pdf](http://www.greenlamindustries.com/pdf-file/policy-for-determining-material-subsidaries_greenlam.pdf)
- The Related Party Transaction Policy is also posted on the Company's website and can be accessed at [http://www.greenlamindustries.com/pdf-file/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.greenlamindustries.com/pdf-file/Related_Party_Transaction_Policy.pdf)

- 
- i) The Disclosure of Commodity Price Risks and Commodity Hedging Activities:  
As stated earlier also, 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. Company maintains a policy of hedging its 60 days of consumption by doing forward buying.
- j) In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

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

17. 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: Nil
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not applicable

The Company had allotted 2,41,36,374 equity shares of ₹5 each to the eligible shareholders of Greenply Industries Limited on November 29, 2014 pursuant to Composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors for the demerger of the Decorative Business (comprised of Laminates and Allied Products) of Greenply Industries Limited to Greenlam Industries Limited. The shares allotted in demat form were successfully credited to the respective beneficiary account of the concerned shareholders. Physical share certificates for shares allotted in physical mode were dispatched to the registered address of the concerned shareholders out of which 72 share certificates representing 10277 shares of 72 shareholders returned undelivered to Registrar and Share Transfer Agent of the Company. The Company has sent 1st reminder to those shareholders on May 25, 2016 and further applicable procedures and compliances in this regard will follow.

On behalf of the Board of Directors

Place: New Delhi  
Date: May 27, 2016

**Shiv Prakash Mittal**  
*Non- Executive Chairman*  
DIN-00237242



## 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, 2016 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, 2016



## 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, 2016.

Place: New Delhi  
Date: May 27, 2016

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



## Auditors' Certificate

To  
The Members  
**Greenlam Industries Ltd.**

We have examined the compliance of conditions of Corporate Governance by Greenlam Industries Ltd., for the year ended on March 31, 2016, as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor grievances received during the year ended March 31, 2016, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. Dhandaria & Company**  
*Chartered Accountants*  
ICAI Firm Reg. No. 306147E

Place of Signature: New Delhi  
Dated: May 27, 2016

**(Dindayal Dhandaria)**  
*Partner*  
Membership No. 010928



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## FINANCIAL SECTION

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## Independent Auditors' Report

To  
The Members of  
**Greenlam Industries Limited**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of GREENLAM INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by the 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 and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 20.1.1 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.

For **D. DHANDARIA & COMPANY**

Chartered Accountants  
ICAI Firm Reg. No. 306147E

**(Dindyal Dhandaria)**

Partner  
Membership No. 010928

Place of Signature: New Delhi

Dated: 27th May, 2016



## Annexure referred to in paragraph ‘report on other legal and regulatory requirements’ of our report of even date

Re: Greenlam Industries Limited (‘The Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company except in case of following immovable properties are yet to be transferred in the name of the Company pursuant to Schemes of Arrangements.
- | Sl. No. | Description  | Gross Block As on 31st March 2016 | Net Block As on 31st March 2016 |
|---------|--|-----------------------------------|---------------------------------|
| 1.      | A Freehold plot of land together with structure thereon. | ₹71.62 Lacs                       | ₹66.46 Lacs                     |
| 2.      | One Office Premises                                      | ₹286.98 Lacs                      | ₹235.24 Lacs                    |
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loan to a subsidiary of a wholly owned subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”). It has not granted any loans, secured or unsecured to any other companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to a subsidiary of a wholly owned subsidiary company listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company, taking into consideration the prevailing rate of interest for foreign currency loans.
- (b) In the case of the loans granted to a subsidiary of a wholly owned subsidiary company listed in the register maintained under section 189 of the Act, the principal and interest had not fallen due for payment.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to information and explanations given to us, in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, which apply to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
		(₹ in Lacs)	(Financial Year)	
Rajasthan VAT Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	58.95	2003 - 2004	Tax Board, Ajmer
Rajasthan VAT Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	47.55	2004 - 2005	Tax Board, Ajmer
Central Excise Act, 1944	Excise Duty on Resin for Captive Consumption	2543.31	June 2009 to February 2013	Before CESTAT, New Delhi
Custom Act 1962	Penalty for alleged non-payment of duty for clearance of imported goods from bonded warehouse	9.00	2014-15	Commissioner Appeals, Alwar
MP VAT Act	Classification of goods sold and applicable rate of tax thereon.	42.62	2009-10	Before Deputy Commissioner, Indore

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. Further, the Company does not have any debentures and loan from financial institution or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) According to the information and explanations given to us by the Management, no fraud on or by the Company was noticed and detected by the Management during the year:

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties

are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

Place of Signature: New Delhi  
Dated: 27th May, 2016



## Annexure 'A' to the Independent Auditor's Report of even date on the 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")

To  
The Members of  
**Greenlam Industries Limited**

We have audited the internal financial controls over financial reporting of GREENLAM INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 over financial reporting 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. 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 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.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 as specified 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting 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 over financial reporting 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 OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

#### **EXPLANATORY PARAGRAPH**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 27th May, 2016 expressed an unqualified opinion thereon.

For **D. DHANDARIA & COMPANY**

Chartered Accountants  
ICAI Firm Reg. No. 306147E

**(Dindayal Dhandaria)**

Partner  
Membership No. 010928

Place of Signature: New Delhi  
Dated: 27th May, 2016



## Balance Sheet as at 31st March 2016

₹ in Lacs

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	1206.82	1206.82
Reserves and Surplus	2	25242.30	21499.02
		26449.12	22705.84
<b>Non-current Liabilities :</b>			
Long-Term Borrowings	3	13465.66	14182.25
Deferred Tax Liabilities (Net)	4	2597.54	1444.60
Other Long Term Liabilities	5	162.51	137.01
Long-Term Provisions	6	912.93	745.42
		17138.64	16509.28
<b>Current Liabilities</b>			
Short-Term Borrowings	7	8823.30	9303.14
Trade Payables	8	18284.32	17646.39
Other Current Liabilities	9	5695.63	5034.83
Short-Term Provisions	10	342.21	179.71
		33145.46	32164.07
<b>TOTAL :</b>		<b>76733.22</b>	<b>71379.19</b>
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets :</b>			
	11		
Tangible Assets		33554.49	30793.33
Intangible Assets		278.53	346.45
Capital Work-in-Progress		395.28	921.16
		34228.30	32060.94
<b>Non-current Investments</b>	12	2410.96	1744.54
<b>Long Term Loans and Advances</b>	13	1376.85	827.27
<b>Other Non-current Assets</b>	14	53.08	37.24
		38069.19	34669.99
<b>Current Assets</b>			
Inventories	15	20737.53	18810.01
Trade Receivables	16	12594.69	11808.13
Cash and Bank Balances	17	97.90	290.35
Short Term Loans and Advances	18	5211.94	5788.20
Other Current Assets	19	21.97	12.51
		38664.03	36709.20
<b>TOTAL :</b>		<b>76733.22</b>	<b>71379.19</b>
<b>Significant Accounting Policies</b>			
See Accompanying Notes to the Financial Statements	1 to 43		

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016

## Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Lacs

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME:</b>			
Sale of Products		94411.91	84121.36
Other Operating Revenue		3595.19	4055.60
		98007.10	88176.96
Less : Central Excise Duty		4336.61	3717.13
Revenue from Operations	21	93670.49	84459.83
Other Income	22	141.73	142.27
<b>Total Revenue</b>		<b>93812.22</b>	<b>84602.10</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	23	51049.71	50284.03
Purchase of Stock in Trade	24	613.42	612.12
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	25	119.40	256.97
Employees Benefits Expense	26	10432.89	7884.57
Finance Costs	27	2776.69	2684.04
Depreciation and Amortisation Expense	28	3151.25	3018.62
Other Expenses	29	19063.15	16130.51
Loss due to Fluctuation in Foreign Exchange Rates		106.70	177.75
<b>Total Expenditure</b>		<b>87313.21</b>	<b>81048.61</b>
<b>Profit before Tax</b>		<b>6499.01</b>	<b>3553.49</b>
<b>Tax Expense</b>			
Current Tax		1406.77	752.31
Add/ (Less) : Mat Credit Entitlement		(94.48)	(752.31)
		1312.29	-
Deferred Tax		1152.94	891.98
		2465.23	891.98
<b>Profit for the Year</b>		<b>4033.78</b>	<b>2661.51</b>
<b>Earnings per Equity Share of face value of ₹5 each</b>	30		
Basic (in ₹)		16.71	32.46
Diluted (in ₹)		16.71	11.03
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 43		

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016



## Cash Flow Statement for the year ended 31st March, 2016

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
Profit before Taxation, and Extraordinary items	6499.01	3553.49
Add:		
a) Depreciation & Amortisation Expense	3151.25	3018.62
b) Finance Costs	2776.69	2684.04
c) Loss on Sale / Discard of Fixed Assets	28.68	17.03
d) Unrealised Foreign Exchange Fluctuations	(29.80)	216.73
e) Provision for Doubtful Debts	92.68	35.70
f) Investment Written off	1.00	-
g) Miscellaneous Expenditure written off	21.97	12.52
	6042.47	5984.64
	12541.48	9538.13
Less: Interest Income	76.50	106.34
Operating Profit before Working Capital Changes	12464.98	9431.79
Less:		
a) Increase in Trade and Other Receivables	(110.74)	(3185.23)
b) Increase in Inventories	1927.52	125.61
c) Decrease in Trade Payables	(1652.90)	(4309.44)
	163.88	(7369.06)
Cash Inflow (+)/Outflow (-) from Operations	12301.10	16800.85
Less: Income Tax Paid	1283.07	1094.98
<b>Net Cash Inflow (+)/Outflow (-) in course of Operating Activities</b>	<b>11018.03</b>	<b>15705.87</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>		
OUTFLOW		
a) Acquisition of Fixed Assets	5062.04	9458.71
b) Interest amount Capitalised	175.21	346.73
c) Investment	667.43	-
d) Loan to Subsidiary	950.85	-
	6855.53	9805.44
Less : INFLOW		
a) Sale of Fixed Assets	37.95	80.33
b) Interest Received	80.62	106.86
	118.57	187.19
<b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b>	<b>(6736.96)</b>	<b>(9618.26)</b>

## Cash Flow Statement (contd.) for the year ended 31st March, 2016

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>		
INFLOW		
a) Proceeds from Long Term Borrowings	7,550.00	5500.00
b) Short Term Borrowings (Net)	(479.84)	(5782.96)
c) Deferred Payment Liabilities (Net)	(29.62)	47.43
	7040.54	(235.53)
DEDUCT : OUTFLOW		
a) Miscellaneous Expenditure	47.27	60.97
b) Repayment of Long Term Borrowings	8499.06	2971.96
c) Interest Paid	2776.69	2686.60
d) Dividend & Corporate Dividend Tax Paid	145.25	-
	11468.27	5719.53
<b>Net Cash Inflow in course of Financing Activities</b>	<b>(4427.73)</b>	<b>(5955.06)</b>
<b>Net Increase (+) / Decrease in Cash/Cash Equivalents</b>	<b>(146.66)</b>	<b>132.55</b>
Add : Balance at the beginning of the year	203.92	3.07
Add: Amount adjusted pursuant to Scheme of Arrangement	-	68.30
	<b>203.92</b>	<b>71.37</b>
<b>Cash / Cash Equivalents at the close of the Year</b>	<b>57.26</b>	<b>203.92</b>

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. 306147E

**Saurabh Mittal**

Managing Director and CEO

(DIN : 00273917)

**Shiv Prakash Mittal**

Non Executive Chairman

(DIN : 00237242)

**(Dindayal Dhandaria)**

Partner

Membership No. 010928

Place of Signature : New Delhi

Dated : 27th May, 2016

**Ashok Kumar Sharma**

Chief Financial Officer

**Prakash Kumar Biswal**

Company Secretary & AVP - Legal



## Significant Accounting Policies

### 1.00 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.01 DISCLOSURE OF ACCOUNTING POLICIES (AS-1):

##### 1.01.01 Nature of Operation

Company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at various locations and branches and dealers' network spread all over the country. It has two wholly owned subsidiary companies operating in overseas countries. 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 products.

##### 1.01.02 Accounting Concepts & Basis of Presentation

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-current".

Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

##### 1.01.03 Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### 1.02 VALUATION OF INVENTORIES (AS-2):

**1.02.01** Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit related to these items are valued at lower of cost to date or net realisable value.

**1.02.02** Goods-in-process is valued at lower of cost or net realisable value.

**1.02.03** Stock of Finished goods is valued at lower of cost or net realisable value.

**1.02.04** Stock-in-trade is valued at lower of cost or net realisable value.

**1.02.05** Waste and scraps are accounted at estimated realisable value.

**1.02.06** Cost of inventories is ascertained on the 'weighted average' basis. Goods-in-process and finished goods are valued on absorption cost basis.

**1.02.07** The self-generated Certified Emission Reductions (CERs) are recognized as asset on certification by UNFCCC and are valued at lower of cost or net realisable value.

#### 1.03 CASH FLOW STATEMENT (AS – 3):

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 regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

#### 1.04 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS -4):

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.



## Significant Accounting Policies

### 1.05 DEPRECIATION (AS – 6):

**1.05.01** Tangible assets are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

**1.05.02** Leasehold lands are amortised over the period of lease.

**1.05.03** Intangible assets are amortised on straight-line method as follows :

Trademarks	-	10 years
Computer Software	-	5 years
Technical Know-how	-	2 years

### 1.06 REVENUE RECOGNITION (AS -9):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**1.06.01 Sale of Goods:** Revenue from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Gross sales shown in the Statement of Profit & Loss are inclusive of Excise Duty but excludes Trade discounts, CST and VAT. Net sales are shown after deducting Excise duty which is disclosed at appropriate places.

**1.06.02 Interest:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

**1.06.03 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.

**1.06.04 Insurance Claims:** Insurance Claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on grounds of prudence.

**1.06.05 Export Incentives:** Benefit on account of entitlement to import goods free of duty under the Advance Authorisation Scheme, Merchandise Export Incentives Scheme (MEIS), Duty Free Import Authorisation (DFIA) Scheme, and Focus Market Scheme (FMS), are accounted for on accrual basis at estimated realisable value, as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, MEIS, DFIA, FMS and/or the same are sold.

### 1.07 ACCOUNTING FOR TANGIBLE AND INTANGIBLE ASSETS (AS – 10):

**1.07.01** Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortisation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

**1.07.02** Tangible 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.

**1.07.03** The Company has exercised the option available to it under Rule 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items".

**1.07.04** Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

### 1.08 ACCOUNTING FOR THE EFFECTS IN FOREIGN EXCHANGE RATES (AS – 11):

**1.08.01 Initial Recognition:** Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.



## Significant Accounting Policies

- 1.08.02 Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- 1.08.03 Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.
- 1.08.04 Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability:** The premium or discount arising at the inception of forward exchange contract is recognized as an expense/income on the date of transaction. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

### 1.09 ACCOUNTING FOR INVESTMENTS (AS – 13):

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as Non-Current/Long-term Investments. Current investments are carried at lower of cost and market value on individual investment basis. Non-Current/Long term Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

### 1.10 EMPLOYEE BENEFITS (AS – 15):

- 1.10.01** 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.
- 1.10.02** Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the Statement of Profit and Loss.

### 1.11 BORROWING COSTS (AS – 16):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### 1.12 SEGMENT REPORTING (AS – 17):

#### 1.12.01 Identification of Segments:

##### Primary Segment

##### *Business Segment:*

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 & Allied products; and (b) Veneer & Allied products.

##### Secondary Segment

##### *Geographical Segment:*

The analysis of geographical segment is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

#### 1.12.02 Allocation of Common costs:

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.



## Significant Accounting Policies

### 1.12.03 Unallocated items:

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

### 1.13 RELATED PARTY DISCLOSURES (AS – 18):

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

### 1.14 LEASES (AS – 19):

In accordance with Accounting Standard 19 “Accounting for leases”, lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

### 1.15 EARNINGS PER SHARE (AS – 20):

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 (AS-22):

**1.16.01** Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

**1.16.02** 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.

**1.16.03** The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. 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. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**1.16.04** MAT (Minimum Alternate Tax) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### 1.17 INTANGIBLE ASSETS (AS – 26):

**1.17.01** 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.

**1.17.02** 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.



## Significant Accounting Policies

### 1.18 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (AS-28)

At each balance sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### 1.19 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):

**1.19.01** Provisions are made when (a) the Company has a present 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.

**1.19.02** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

**1.19.03** Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

### 1.20 EXCISE DUTY AND CUSTOM DUTY:

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/bonding of materials.

### 1.21 CONSUMPTION OF RAW MATERIALS, STORES & SPARE PARTS ETC.:

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.

### 1.22 SERVICE TAX & CESS:

Various expenses are accounted for after deducting the input tax credit available in respect of Service Tax, Education Cess and Secondary & Higher Education Cess.

### 1.23 EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the later on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss. In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognised where the Company retains the control of the asset and any future economic benefit accrues to it. A liability incurred by entering into a contractual obligation is recognised to the extent to which CSR activity is completed during the year.

### 1.24 MISCELLANEOUS EXPENDITURE WRITTEN OFF:

Expenses related to Scheme of Arrangement, Fee for increase in Authorised Share Capital and Preliminary Expenses are written off in five equal annual installments in accordance with the provisions of Section 35DD of the Income Tax Act, 1961.

## Notes on Financial Statements for the year ended 31st March, 2016

### 1. SHARE CAPITAL

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs
<b>1.1 Authorised</b>				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
<b>1.2 Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
<b>1.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	24136374	1206.82	100000	5.00
Add : Allotted during the year	-	-	24136374	1206.82
Less : Cancelled pursuant to Scheme of Arrangement	-	-	100000	5.00
<b>Total</b>	<b>24136374</b>	<b>1206.82</b>	<b>24136374</b>	<b>1206.82</b>

#### 1.4 Terms/Rights attached to the Equity Shares

The Company has only one class of equity Shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹1 (Previous year ₹0.50)

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.

#### 1.5 Name of the Shareholders holding more than 5% Shares

EQUITY SHARES	As at 31st March, 2016		As at 31st March, 2015	
	Number	%	Number	%
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Saurabh Mittal *	3306534	13.70%		
Greenply Leasing & Finance Pvt Ltd	2724481	11.29%	2714731	11.25%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
Ashish Dhawan	2032969	8.42%	2369488	9.82%
Westbridge Crossover Fund LLC	1901342	7.88%		
HDFC Trustee Company Ltd	1826049	7.57%	1833207	7.60%
HSBC Bank (Mauritius) Ltd A/C Jwalamukhi Investment Holdings*			2376884	9.85%

\* Comparative figure are not given as the % of holding is below 5%.

1.6 The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

1.7 The Company for the period of five years immediately preceding the date of Balance Sheet (i.e. since incorporation) has:

- Allotted 2,42,36,374 equity shares (including 1,00,000 equity shares issued to the subscribers to memorandum and article of association) as fully paid and cancelled 1,00,000 equity shares pursuant to Scheme of Arrangement without payment being received in cash.
- Not allotted fully paid up shares by way of bonus shares
- Not bought back any class of shares.



## Notes on Financial Statements for the year ended 31st March, 2016

### 2. RESERVES AND SURPLUS

₹ in Lacs

	As at 31st March, 2016		As at 31st March, 2015	
<b>Capital Reserve</b>				
Balance as per last Financial Statements	15333.48		-	
Add: Amount adjusted pursuant to Scheme of Arrangement	-		15333.48	
		15333.48		15333.48
<b>General Reserve</b>				
Balance as per last Financial Statements	100.00		-	
Add: Transferred from Statement of Profit and Loss	400.00		100.00	
		500.00		100.00
<b>Surplus, i.e. balance in Statement of Profit and Loss</b>				
Balance as per last Financial Statements	6065.54		(0.80)	
Add: Amount adjusted pursuant to Scheme of Arrangement	-		3718.59	
Add : Profit for the year	4033.78		2661.51	
Less : Adjustment for Depreciation on reassessment of useful lives of tangible assets	-		68.51	
Less : Transferred to General Reserve	400.00		100.00	
Less : Proposed Dividend on Equity Shares [Dividend Per Share ₹1 (Previous year ₹0.50)]	241.36		120.68	
Less : Tax on Distribution of Proposed Dividend	49.14		24.57	
		9408.82		6065.54
<b>Total</b>		<b>25242.30</b>		<b>21499.02</b>

### 3. LONG-TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2016		As at 31st March, 2015	
<b>Secured</b>				
Term Loans				
From Banks				
Foreign Currency Loans	2614.41		3452.99	
Rupee Loans	13950.00		9912.50	
	16564.41		13365.49	
Less : Current maturities of Long Term Borrowings	3125.76		3236.57	
		13438.65		10128.92
Deferred Payment Liabilities	54.02		-	
Less: Current maturities of Deferred Payment Liabilities	27.01		-	
		27.01		-
		13465.66		10128.92
<b>Unsecured</b>				
Term Loans				
From Banks				
Rupee Loans	-		4000.00	
Less : Current maturities of Long Term Borrowings	-		-	4000.00
Deferred Payment Liabilities	1.56		85.20	
Less: Current maturities of Deferred Payment Liabilities	1.56		31.87	53.33
		-		4053.33
<b>Total</b>		<b>13465.66</b>		<b>14182.25</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 3. LONG-TERM BORROWINGS (contd.)

3.1 Term Loans of ₹16564.41 lacs are secured by first pari-passu charge on all movable fixed assets of the Company, present and future, first pari-passu charge on immovable fixed assets of the Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh), second pari-passu charge on all current assets of the Company, present and future.

3.2 Secured Deferred Payment liabilities are in respect of finance of Vehicle, Secured by hypothecation of respective vehicle.

### 3.3 Terms of Repayment and Rate of Interest of Term Loans

₹ in Lacs

	Rate of Interest	Repayment Schedule				
		2016-17*	2017-18	2018-19	2019-20	2020-21
<b>Term Loans from Banks</b>						
<b>Secured</b>						
10 Quarterly Installments	5.12%	1045.76	1045.76	522.89	-	-
20 Quarterly Installments	9.80%	750.00	1000.00	1000.00	1000.00	1250.00
20 Quarterly Installments	9.83%	100.00	400.00	400.00	400.00	250.00
17 Quarterly Installments	9.85%	630.00	840.00	1455.00	1660.00	415.00
20 Quarterly Installments	9.83%	600.00	600.00	600.00	600.00	-
		<b>3125.76</b>	<b>3885.76</b>	<b>3977.89</b>	<b>3660.00</b>	<b>1915.00</b>
<b>Deferred Payment Liabilities</b>						
Secured	10.25%	27.01	27.01	-	-	-
Unsecured	11.50%	1.56	-	-	-	-

\* Represents Current Maturities of Long Term Borrowings.

3.4 The Company has not defaulted in repayment of loans and interest during the period.

### 4. DEFERRED TAX LIABILITIES (NET) :

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>DEFERRED TAX LIABILITIES :</b>		
Depreciation	2291.72	1905.22
Others	901.70	-
	3193.42	1905.22
<b>LESS : DEFERRED TAX ASSETS :</b>		
Provision for Gratuity/Liabilities	595.88	460.62
<b>Total</b>	<b>2597.54</b>	<b>1444.60</b>

### 5. OTHER LONG TERM LIABILITIES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>Others</b>		
Security Deposits from Customers	162.51	137.01



## Notes on Financial Statements for the year ended 31st March, 2016

### 6. LONG TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Provisions for Employee Benefits (unfunded)		
For Gratuity	627.10	477.86
For Leave Encashment	285.83	267.56
<b>Total</b>	<b>912.93</b>	<b>745.42</b>

### 7. SHORT TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
Loans Repayable on Demand		
Working Capital Loans		
From Banks		
Rupee Loans	6841.17	3341.13
<b>Unsecured</b>		
Other Loans and advances		
From Banks		
Foreign Currency Loan - Buyers' Credit	1982.13	3462.01
Rupee Loans (Repayable on Demand)	-	2500.00
	1982.13	5962.01
<b>Total</b>	<b>8823.30</b>	<b>9303.14</b>

7.1 Working Capital Loans of ₹6841.17 lacs are secured by first pari-passu charge on all current assets of the company, present and future, second pari-passu charge on all movable fixed assets of the company, present and future, second pari-passu charge on immovable fixed assets of the company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh).

7.2 The Company has not defaulted in repayment of loans and interest during the period.

### 8. TRADE PAYABLES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Dues to Micro and Small Enterprises (Refer Note No. 38)	-	-
Dues to Other than Micro and Small Enterprises	18284.32	17646.39
<b>Total</b>	<b>18284.32</b>	<b>17646.39</b>

### 9. OTHER CURRENT LIABILITIES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Current maturities of Long Term Borrowings*	3125.76	3236.57
Current maturities of Deferred Payment Liabilities*	28.57	31.87
Interest Accrued but not due on borrowings	40.34	31.09
Advance from Customers	426.10	214.01
Unpaid Dividend	0.11	-
Statutory Dues	2074.75	1521.29
<b>Total</b>	<b>5695.63</b>	<b>5034.83</b>

\* The terms are stated in notes nos. 3.1 to 3.3

9.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous period ₹ Nil)

## Notes on Financial Statements for the year ended 31st March, 2016

### 10. SHORT TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits (unfunded)		
Gratuity	27.01	18.70
Leave Salary	24.70	15.76
Proposed Dividend		
Equity Shares	241.36	120.68
Tax on Distribution of Proposed Dividend	49.14	24.57
<b>Total</b>	<b>342.21</b>	<b>179.71</b>

### 11. FIXED ASSETS

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As At 01/04/2015	Acquired pursuant to Scheme of Arrangement	Addition During The Year	Deduction During The Year	Total As At 31/03/2016	Upto 31/03/2015	Acquired pursuant to Scheme of Arrangement	For the Year	Adjustment For Deductions	Total As At 31/03/2016	As At 31/03/2016	As At 31/03/2015
<b>OWN ASSETS</b>												
<b>Tangible Assets</b>												
Freehold Land	1095.53	-	-	-	1095.53	-	-	-	-	-	1095.53	1095.53
Leasehold Land	1551.88	-	23.40	-	1575.28	25.34	-	20.39	-	45.73	1529.55	1526.54
Land Development	603.11	-	-	-	603.11	2.67	-	4.12	-	6.79	596.32	600.44
Buildings	10637.38	-	1538.97	44.99	12131.36	1393.23	-	380.37	17.09	1756.51	10374.85	9244.15
Plant and Equipments	27645.76	-	4087.22	20.72	31712.26	11227.96	-	2282.16	9.74	13500.38	18211.88	16417.80
Furniture and Fixtures	1290.85	-	89.60	11.25	1369.20	334.68	-	154.13	6.95	481.86	887.34	956.17
Vehicles	779.68	-	3.53	59.14	724.07	329.99	-	89.37	38.64	380.72	343.35	449.69
Heavy Vehicles	12.92	-	-	-	12.92	12.05	-	0.09	-	12.14	0.78	0.87
Office Equipments	951.49	-	158.48	40.24	1069.73	449.35	-	142.78	37.29	554.84	514.89	502.14
<b>Sub Total</b>	<b>44568.60</b>	<b>-</b>	<b>5901.20</b>	<b>176.34</b>	<b>50293.46</b>	<b>13775.27</b>	<b>-</b>	<b>3073.41</b>	<b>109.71</b>	<b>16738.97</b>	<b>33554.49</b>	<b>30793.33</b>
<b>Intangible Assets</b>												
Trademarks	68.58	-	-	-	68.58	67.38	-	1.20	-	68.58	-	1.20
Computer Software	396.82	-	10.66	-	407.48	51.57	-	77.38	-	128.95	278.53	345.25
Technical Knowhow	304.23	-	-	-	304.23	304.23	-	-	-	304.23	-	-
<b>Sub Total</b>	<b>769.63</b>	<b>-</b>	<b>10.66</b>	<b>-</b>	<b>780.29</b>	<b>423.18</b>	<b>-</b>	<b>78.58</b>	<b>-</b>	<b>501.76</b>	<b>278.53</b>	<b>346.45</b>
<b>Capital Work In Progress</b>												
Capital Work In Progress	921.16	-	394.76	920.64	395.28	-	-	-	-	-	395.28	921.16
<b>Total</b>	<b>46259.39</b>	<b>-</b>	<b>6306.62</b>	<b>1096.98</b>	<b>51469.03</b>	<b>14198.45</b>	<b>-</b>	<b>3151.99</b>	<b>109.71</b>	<b>17240.73</b>	<b>34228.30</b>	<b>32060.94</b>
<b>Previous Period Total</b>	<b>-</b>	<b>36461.76</b>	<b>16786.87</b>	<b>6989.24</b>	<b>46259.39</b>	<b>-</b>	<b>11165.84</b>	<b>3087.16</b>	<b>54.54</b>	<b>14198.46</b>	<b>32060.94</b>	<b>-</b>

11.1 Addition to Plant and Equipments includes loss of ₹185.56 lacs (Previous year ₹152.10 lacs) on account of fluctuation in Foreign Exchange Rates.

11.2 Borrowing Cost capitalised during the year ₹175.21 lacs (Previous year ₹346.73 lacs), included in tangible assets ₹175.21 lacs (Previous year ₹335 lacs) and Capital Work in Progress ₹ Nil (Previous Year ₹11.73 lacs).



## Notes on Financial Statements for the year ended 31st March, 2016

### 12. NON-CURRENT INVESTMENTS

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs
<b>Investments in Equity Instruments (at Cost)</b>				
<b>Trade</b>				
<b>Unquoted , Fully Paid up</b>				
<b>Subsidiaries</b>				
Greenlam Asia Pacific PTE Ltd - Equity Shares of SGD 1 each*	-	-	2430642	1003.31
Greenlam Asia Pacific PTE Ltd - Equity Shares of US\$ 1 each *	2778865	1670.74	-	-
Greenlam America Inc. - Equity Shares of US\$ 1 each	1600000	740.23	1600000	740.23
Greenlam Europe (UK) Ltd. - Equity Shares of GBP 1 each [₹82 (Previous year ₹82)]	1	0.00	1	0.00
Greenlam VT Industries Pvt Ltd - Equity Shares of ₹10 each * *	-	-	10000	1.00
<b>Total</b>		<b>2410.96</b>		<b>1744.54</b>
Aggregate amount of Unquoted Investments		2410.96		1744.54

\* During the year, the investee Company re-arranged the ordinary shares SGD to USD without resulting into in any reduction of share capital and accordingly, the Company's share holding of 2778865 Ordinary shares includes 1778865 Ordinary shares of USD 1 each so converted from 2430642 Ordinary shares of SGD1 each.

\*\* Since struck off from the register of Registrar of Companies and no final payment due.

### 13. LONG TERM LOANS & ADVANCES (Unsecured, considered good)

₹ in Lacs

	As at		As at	
	31st March, 2016		31st March, 2015	
Capital Advances		153.97		605.65
Security Deposits		272.03		221.62
Loans and Advances to a related party ( refer note 32.2)		950.85		-
<b>Total</b>		<b>1376.85</b>		<b>827.27</b>

### 14. OTHER NON-CURRENT ASSETS

₹ in Lacs

	As at		As at	
	31st March, 2016		31st March, 2015	
Expenses pertaining to Scheme of Arrangement		48.55		30.28
Fees for Increase in Authorised Capital		4.20		6.30
Preliminary Expenses		0.33		0.66
<b>Total</b>		<b>53.08</b>		<b>37.24</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 15. INVENTORIES (at lower of cost or net realisable value)

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Raw Materials [including at Customs Warehouse ₹1110.67 lacs (Previous year ₹1142.97 lacs)]	13172.16	11231.67
Stock in Process	1616.53	939.09
Finished Goods [including in Transit ₹641.50 lacs (Previous year ₹553.89 lacs)]	4863.97	5680.04
Stock In Trade	186.06	166.83
Certified Emission Reductions (CER)	8.68	8.68
Stores & Spares	890.13	783.70
<b>Total</b>	<b>20737.53</b>	<b>18810.01</b>

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>15.1 Details of Closing Stock of Raw Materials</b>		
Paper	8120.57	7326.26
Veneer	2419.82	2174.31
Chemicals	1039.69	904.39
Plywood, Particle Board & MDF	1167.59	440.15
Cubicles & Rivets	257.21	133.13
Particle Core & Pine	167.28	253.43
<b>Total</b>	<b>13172.16</b>	<b>11231.67</b>
<b>15.2 Details of Closing Stock of Goods-in-Process</b>		
Timber	21.34	31.72
Decorative Laminates	118.03	120.79
Decorative Veneers	545.35	91.50
Chemicals	72.80	67.60
Paper	298.15	453.63
Flooring Planks	560.86	173.85
<b>Total</b>	<b>1616.53</b>	<b>939.09</b>
<b>15.3 Details of Closing Stock of Finished Goods</b>		
Decorative Laminates	3960.02	5185.06
Decorative Veneers	490.04	288.34
Engineered Wood Flooring	383.36	201.38
Melamine Faced Chipboards	7.03	5.26
Engineered Door Sets & Door Leaf	23.52	-
<b>Total</b>	<b>4863.97</b>	<b>5680.04</b>
<b>15.4 Details of Closing Stock of Stock in Trade</b>		
Engineered Wood Flooring and Accessories	169.24	151.02
Decorative Laminates	16.82	15.81
<b>Total</b>	<b>186.06</b>	<b>166.83</b>
	<b>Numbers</b>	<b>Numbers</b>
<b>15.5 CERs held in inventory</b>	<b>59864</b>	<b>59864</b>



## Notes on Financial Statements for the year ended 31st March, 2016

### 16. TRADE RECEIVABLES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months from date due for payment		
Secured, considered good	-	-
Unsecured, considered good	479.86	285.85
Unsecured, considered doubtful	128.39	35.70
	608.25	321.55
Less : Provision for Doubtful Trade Receivables *	128.39	35.70
	479.86	285.85
Other debts		
Secured, considered good	172.24	258.10
Unsecured, considered good	11942.59	11264.18
	12114.83	11522.28
<b>Total</b>	<b>12594.69</b>	<b>11808.13</b>

\* as estimated by the Management

### 17. CASH & BANK BALANCES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>17.1 Cash &amp; Cash Equivalents</b>		
Balances with Banks	45.35	73.31
Balances with Banks - unpaid dividend	0.11	-
Remittance in Transit	-	126.22
Cash on Hand	11.80	4.39
	<b>57.26</b>	<b>203.92</b>
<b>17.2 Other Bank Balances</b>		
Term Deposits with Banks (Receipts pledged with banks & others as security deposits)		
Maturity within 12 months	40.64	86.43
<b>Total</b>	<b>97.90</b>	<b>290.35</b>

### 18. SHORT TERM LOANS & ADVANCES (Unsecured, considered good)

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Loans and Advances to a related party ( refer note 32.2)	1.04	-
Advance to Staff & Workers	113.53	91.71
Advance against Purchases	257.09	240.12
Service Tax Input Credit Receivable	228.19	263.10
Balance with Central Excise Authorities	405.07	324.04
Advance Payment of Income Tax (Less Provision)	475.67	599.37
MAT Credit Entitlement	875.04	780.56
Advance Payment of Sales Tax (including unavailed VAT input credit)	177.07	218.91
Export Incentive Receivable	2296.88	3031.04
Prepaid Expenses	287.24	210.67
Insurance Claim Receivable	95.12	28.68
<b>Total</b>	<b>5211.94</b>	<b>5788.20</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 19. OTHER CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Expenses pertaining to Scheme of Arrangement	19.55	10.09
Fees for Increase in Authorised Capital	2.10	2.10
Preliminary Expenses	0.32	0.32
<b>Total</b>	<b>21.97</b>	<b>12.51</b>

### 20. CONTINGENT LIABILITIES AND COMMITMENTS

#### 20.1 Contingent liabilities

##### 20.1.1 Pending Litigations:

Excise Duty, Sales Taxes and other Indirect Taxes claims disputed by the Company relating to issues of applicability and determination aggregating ₹2770.15 lacs (Previous year ₹2798.67 lacs).

Notes:

- Based on the discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.
- The company does not expect any reimbursements in respect of the above contingent liabilities.
- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

##### 20.1.2 Others:

- Letter of credit established but material not received amounting to ₹2644.35 lacs (Previous year ₹3024.18 lacs).
- Counter-Guarantees given to banks for Stand-by Letter of Credit (SBLC) facility ₹3600.76 lacs (Previous Year ₹2549.15 lacs). Outstanding amount of Overdraft limit availed by Greenlam America Inc., Greenlam Asia Pacific Pte. Ltd. and Greenlam Europe (UK) Ltd., against SBLC facility is USD 29.40 lacs, USD 10.00 lacs and GBP 9.95 lacs respectively equivalent to ₹3556.51 lacs (Previous year ₹2505.57 lacs) translated at year-end exchange rate.
- Guarantee given to Banks in respect of loans to its subsidiary USD 160.00 lacs & SGD 15.07 lacs ( Previous Year Nil) equivalent to ₹11338.60 lacs ( Previous Year Nil) , translated at year-end exchange rate.
- Guarantee/Letter of Assurance given to Banks for Bills discounting facility ( Channel Financing) ₹2750.00 lacs (Previous Year ₹ Nil) and outstanding amount under this Bills Discounting facility ₹760.28 lacs (Previous Year ₹ Nil)

#### 20.2 Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹603.92 lacs (Previous year ₹2555.02 lacs)
- Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil)
- Other commitments ₹ Nil (Previous year ₹ Nil)



## Notes on Financial Statements for the year ended 31st March, 2016

### 21. REVENUE FROM OPERATIONS

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Sale of Products		94411.91		84121.36
Other Operating Revenue				
Export Incentive Received	3454.81		3974.67	
Insurance Claim Received	140.38	3595.19	80.93	4055.60
		98007.10		88176.96
Less : Central Excise Duty		4336.61		3717.13
<b>Total</b>		<b>93670.49</b>		<b>84459.83</b>

21.1 Company's unit at Nalagarh (Himachal Pradesh) is exempt from levy of Central Excise Duty.

### 21.2 Particulars of Sale of Products

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Decorative Laminates		77694.30		72280.66
[including exports ₹32504.95 lacs (Previous year ₹30966.26 lacs)]				
Decorative Veneers		13691.54		10513.87
[including exports ₹24.77 lacs (Previous year ₹32.15 lacs)]				
Engineered Wood Flooring		1828.55		548.37
[including exports ₹50.54 lacs (Previous year ₹0.55 lacs)]				
Melamine Faced Chipboards		492.18		147.61
Engineered Door Sets & Door Leaf		111.86		-
[including exports ₹41.10 lacs (Previous year ₹ Nil)]				
Others		593.48		630.85
[including exports ₹2.82 lacs (Previous year ₹3.16 lacs)]				
<b>Total</b>		<b>94411.91</b>		<b>84121.36</b>

### 22. OTHER INCOME

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Wages Subsidy Received		-		10.09
Interest Income		76.50		106.34
Liabilities no longer required written back		34.01		23.73
Miscellaneous Income		31.22		2.11
<b>Total</b>		<b>141.73</b>		<b>142.27</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 23. COST OF MATERIALS CONSUMED

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Paper		28856.69		27261.02
Timber		226.45		75.65
Veneer		3258.24		1791.40
Chemicals		14049.97		18281.48
Plywood, Particle Board and MDF		4129.07		2570.14
Hardware and Accessories		529.29		304.34
<b>Total</b>		<b>51049.71</b>		<b>50284.03</b>
		(%)		(%)
Imported	60%	30620.75	60%	30030.03
Indigenous	40%	20428.96	40%	20254.00
<b>Total</b>	<b>100%</b>	<b>51049.71</b>	<b>100%</b>	<b>50284.03</b>

23.1 Cost of Materials Consumed includes cost of materials sold ₹418.28 lacs (Previous year ₹605.73 lacs).

### 24. PURCHASE OF STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Decorative Veneers		68.48		118.44
Decorative Laminates		448.73		332.57
Engineered Wood Flooring and Accessories		96.21		161.11
<b>Total</b>		<b>613.42</b>		<b>612.12</b>

### 25. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>OPENING STOCK</b>				
Finished Goods	5680.04		-	
Stock in Trade	166.83		-	
Certified Emission Reductions (CER)	8.68		-	
Goods-in-Process	939.09	6794.64	-	-
<b>Add : Acquired pursuant to Scheme of Arrangement</b>				
Finished Goods	-		6218.59	
Stock in Trade	-		47.30	
CER	-		8.68	
Goods-in-Process	-	-	777.04	7051.61
		6794.64		7051.61
<b>CLOSING STOCK</b>				
Finished Goods	4863.97		5680.04	
Stock in Trade	186.06		166.83	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	1616.53	6675.24	939.09	6794.64
<b>Total</b>		<b>119.40</b>		<b>256.97</b>



## Notes on Financial Statements for the year ended 31st March, 2016

### 26. EMPLOYEES BENEFITS EXPENSE

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salary, Wages and Bonus	9691.75	7257.77
Contribution to Provident Fund & Employees' State Insurance	458.45	386.34
Employees' Welfare Expenses	282.69	240.46
<b>Total</b>	<b>10432.89</b>	<b>7884.57</b>

#### 26.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

- i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

#### iii) Employee Gratuity Benefit Calculations

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>a) Net Employee Expense/(benefit):</b>		
Current service cost	107.42	81.23
Interest cost on benefit obligation	38.48	27.96
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	48.95	49.08
<b>Total employer expenses</b>	<b>194.85</b>	<b>158.27</b>
<b>b) Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>c) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	654.11	496.56
<b>Benefit Asset / (Liability)</b>	<b>(654.11)</b>	<b>(496.56)</b>
<b>d) Movement in benefit liability:</b>		
Opening defined benefit obligation	496.56	-
Add: Obligation transferred pursuant to scheme of Arrangement	-	360.83
Interest cost on benefit obligation	38.48	27.96
Current service cost	107.42	81.23
Actuarial (gains) / losses	48.95	49.08
Less: Benefits paid	(37.30)	(22.54)
<b>Closing benefit obligation</b>	<b>654.11</b>	<b>496.56</b>
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8.00%	7.75%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	5.25%
Withdrawal rates:		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

## Notes on Financial Statements for the year ended 31st March, 2016

### 26. EMPLOYEES BENEFITS EXPENSE (contd.)

#### iv) Employee Leave Benefit Calculations

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>a) Net Employee Expense/(benefit):</b>		
Current service cost	74.13	69.42
Interest cost on benefit obligation	21.96	-
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	19.19	(109.07)
<b>Total employer expenses</b>	<b>115.28</b>	<b>(39.65)</b>
<b>b) Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>c) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	310.54	283.32
<b>Benefit Asset / (Liability)</b>	<b>(310.54)</b>	<b>(283.32)</b>
<b>d) Movement in benefit liability:</b>		
Opening defined benefit obligation	283.32	-
Add: Obligation transferred pursuant to scheme of Arrangement	-	361.51
Interest cost on benefit obligation	21.96	0.00
Current service cost	74.13	69.42
Actuarial (gains) / losses	19.19	(109.07)
Less: Benefits paid	(88.06)	(38.54)
<b>Closing benefit obligation</b>	<b>310.54</b>	<b>283.32</b>
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8.00%	7.75%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	5.25%
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%

v) Amount incurred as expense for defined contribution to Provident Fund is ₹394.69 lacs (Previous Year ₹355.21 lacs).

### 27. FINANCE COSTS

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest Expense	2619.08	2603.48
Other Borrowing Cost	157.61	80.56
<b>Total</b>	<b>2776.69</b>	<b>2684.04</b>

27.1 Borrowing Cost capitalised during the year ₹175.21 lacs (Previous year ₹346.73 lacs). (Refer Note No. 11.2)



## Notes on Financial Statements for the year ended 31st March, 2016

### 28. DEPRECIATION & AMORTISATION EXPENSE

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation Expense	3048.90	2923.69
Amortisation Expense	103.09	163.47
	3151.99	3087.16
Less : Transfer to Surplus in the Statement of Profit & Loss	-	68.51
Less : Transfer to Pre-Operative Expenses	0.74	0.03
<b>Total</b>	<b>3151.25</b>	<b>3018.62</b>

### 29. OTHER EXPENSES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Consumption of stores and spares	609.04	302.41
Power & Fuel	2710.52	2631.63
Rent	618.96	519.93
Repairs to buildings	79.32	32.47
Repairs to machinery	583.62	543.31
Insurance	207.02	186.26
Rates and taxes	687.92	360.93
Travelling expenses	975.03	746.03
Freight & delivery expenses	2732.21	2369.58
Export Expenses	2159.51	2423.84
Advertisement & Sales promotion	4737.53	3620.42
Auditors' Remuneration	17.32	18.87
Secretarial Auditor's Remuneration	1.00	0.80
Expenditure on CSR Activities	70.11	42.00
Bank Charges	57.94	67.37
Provision for Doubtful Debts	92.68	35.70
Investment written off	1.00	-
Loss on Sale / Discard of Assets	28.68	17.03
Directors' Sitting Fees *	9.57	5.73
Independent Directors' Commission *	25.76	25.28
Miscellaneous Expenditure written off	21.97	12.52
Other General Expenses	2636.44	2168.40
<b>Total</b>	<b>19063.15</b>	<b>16130.51</b>

\* Inclusive of Service tax

### 29.1 CONSUMPTION OF STORES AND SPARES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Imported	93.50	219.86
Indigenous	515.54	82.55
<b>Total</b>	<b>609.04</b>	<b>302.41</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 29. OTHER EXPENSES (contd.)

#### 29.2 AUDITORS' REMUNERATION

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
As Auditors	15.58	17.50
For other services	1.74	1.37
<b>Total</b>	<b>17.32</b>	<b>18.87</b>

Note : Fees are exclusive of cenvatable service tax

#### 29.3 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Gross Amount required to be spent by the Company during the year	35.53	-
(b) Amount spent during the year in Cash on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Contribution towards Woman and Child Health Care	34.00	42.00
- Contribution towards Education of Orphan Girl Child	36.11	-
	<b>70.11</b>	<b>42.00</b>

### 30. EARNINGS PER SHARE

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Calculation of weighted average number of equity shares of ₹5 each</b>		
No of Shares at the beginning of the year	24136374	100000
Shares issued on 29.11.2014	-	24036374
Total number of equity shares outstanding at the end of the year	24136374	24136374
Equity shares outstanding for 366/365 days	24136374	100000
Equity shares outstanding for 123 days	-	24036374
Weighted average number of equity shares outstanding during the year	24136374	8199929
Net Profit (after tax, available for equity shareholders)	₹ in Lacs 4033.78	2661.51
<b>BASIC EARNINGS PER SHARE</b>	₹ <b>16.71</b>	<b>32.46</b>
Total no of Shares including pending allotment at the beginning of the year	24136374	100000
No. of Equity Shares to be issued pursuant to Scheme of Arrangement excluding shares to be cancelled on allotment	-	24036374
Total no. of equity shares including pending allotment outstanding at the end of the year	24136374	24136374
Equity shares outstanding for 366/365 days	24136374	24136374
Weighted average number of equity shares outstanding during the year	24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs 4033.78	2661.51
<b>DILUTED EARNINGS PER SHARE</b>	₹ <b>16.71</b>	<b>11.03</b>



## Notes on Financial Statements for the year ended 31st March, 2016

### 31. SEGMENT REPORTING (Under Accounting Standard AS - 17)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March, 2016

#### Information about Business Segments - Primary

₹ in Lacs

REPORTABLE SEGMENT	Laminate & Allied products		Veneer & Allied products		Unallocated		Total	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>REVENUE</b>								
External Sales	78678.83	72928.46	15733.08	11192.90	-	-	94411.91	84121.36
Inter-segment Sales	-	-	-	-	-	-	-	-
Gross Sales	78678.83	72928.46	15733.08	11192.90	-	-	94411.91	84121.36
Less : Excise Duty	2536.98	2467.66	1799.63	1249.47	-	-	4336.61	3717.13
<b>Net Sales</b>	<b>76141.85</b>	<b>70460.80</b>	<b>13933.45</b>	<b>9943.43</b>	-	-	<b>90075.30</b>	<b>80404.23</b>
Other Operating Income	3595.19	4055.60	-	-	-	-	3595.19	4055.60
<b>Revenue from Operation</b>	<b>79737.04</b>	<b>74516.40</b>	<b>13933.45</b>	<b>9943.43</b>	-	-	<b>93670.49</b>	<b>84459.83</b>
<b>RESULT</b>								
Segment Result	11260.36	6300.27	499.70	1564.83	-	-	11760.06	7865.10
Unallocated Corporate Expenses					2560.86	1733.91	2560.86	1733.91
<b>Operating Profit</b>							<b>9199.20</b>	<b>6131.19</b>
Less : Interest Expense					2776.69	2684.04	2776.69	2684.04
Add : Interest Income					76.50	106.34	76.50	106.34
<b>Profit before Tax</b>							<b>6499.01</b>	<b>3553.49</b>
Current Tax							1312.29	-
Deferred Tax							1152.94	891.98
<b>Profit after Tax</b>							<b>4033.78</b>	<b>2661.51</b>
<b>OTHER INFORMATION</b>								
Segment Assets	49534.55	50641.79	20771.27	16715.69	6352.35	3971.96	76658.17	71329.44
Segment Liabilities	18126.43	17464.82	3121.10	2474.65	995.74	535.45	22243.27	20474.92
Loan Fund					25443.29	26753.83	25443.29	26753.83
Deferred Tax Liabilities (Net)					2597.54	1444.60	2597.54	1444.60
Shareholders' Funds					26374.07	22656.09	26374.07	22656.09
<b>Total Liabilities</b>							<b>76658.17</b>	<b>71329.44</b>
Capital Expenditure	3367.76	2221.80	1810.86	6775.60	58.63	808.04	5237.25	9805.44
Depreciation	2140.20	2317.74	778.35	442.26	232.70	258.62	3151.25	3018.62

#### Secondary Segment - Geographical by location of customers

₹ in Lacs

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
Within India	57451.13	49402.11	76658.17	71329.44	5237.25	9805.44
Outside India	32624.17	31002.12	-	-	-	-
	<b>90075.30</b>	<b>80404.23</b>	<b>76658.17</b>	<b>71329.44</b>	<b>5237.25</b>	<b>9805.44</b>



## Notes on Financial Statements for the year ended 31st March, 2016

### 31. SEGMENT REPORTING (Under Accounting Standard AS - 17) (contd.)

#### NOTES:

##### a) Business Segments :

A description of the types of products and services provided by each reportable segment is as follows:

**Laminate & Allied Products:** The Segment is engaged in the business of manufacturing of Laminates, compact laminates and other allied products through its wholesale and retail network.

**Veneer & Allied Products:** The Segment is engaged in the business of manufacturing of Decorative veneers, Engineered Wood Flooring, Engineered Door Sets & Door Leaf and other allied products through its wholesale and retail network.

##### b) Segment Assets and Liabilities :

All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include share capital, reserves and surplus, borrowings, proposed dividend and income tax (both current and deferred).

##### c) Segment Revenue and Expenses :

Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest income, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

### 32. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18

#### 32.1 List of related parties and relationship:

##### a) Related parties where control exists

###### Subsidiary Companies

- i) Greenlam Asia Pacific Pte. Ltd.
- ii) Greenlam America, Inc.
- iii) Greenlam VT Industries Pvt. Ltd. (Struck off on 05-04-2016)
- iv) Greenlam Europe (UK) Ltd.
- v) Greenlam Asia Pacific (Thailand) Co. Ltd.
- vi) Greenlam Holding Co. Ltd.
- vii) Pt. Greenlam Asia Pacific

##### b) Related parties with whom transactions have taken place during the year.

###### Key Management Personnel

- i) Mr. Saurabh Mittal, Managing Director & CEO
- ii) Mrs. Parul Mittal, Whole-Time Director
- iii) Mr. Vijay Kumar Chopra, Independent Director
- iv) Mrs. Urvashi Saxena, Independent Director
- v) Ms. Sonali Bhagwati Dalal, Independent Director
- vi) Mr. Ashok Kumar Sharma, Chief Financial Officer
- vii) Mr. Prakash Kumar Biswal, Company Secretary

###### Enterprises Owned/Influenced by Key Management Personnel or their relatives

- i) Himalaya Granites Ltd.
- ii) Prime Properties Pvt Ltd.
- iii) Greenply Industries Ltd.

###### Relatives of Key Management Personnel

- i) Mrs. Parul Mittal (Wife of Mr. Saurabh Mittal)
- ii) Seema Realcon Pvt Ltd ( Brother of Mrs Parul Mittal is a Director in Seema Realcon Pvt Ltd.)



## Notes on Financial Statements for the year ended 31st March, 2016

### 32. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18 (contd.)

#### 32.2 Transactions during the year:

₹ in Lacs

Particulars	Subsidiaries		Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Sale of Products</b>								
Greenply Industries Ltd.	-	-	-	-	208.27	319.61	-	-
Greenlam Asia Pacific Pte. Ltd.	14276.76	14370.71	-	-	-	-	-	-
Greenlam America, Inc.	6094.30	5096.46	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	1039.25	408.62	-	-	-	-	-	-
Seema Realcon Pvt Ltd	-	-	-	-	-	-	680.58	-
<b>Total</b>	<b>21410.31</b>	<b>19875.79</b>	-	-	<b>208.27</b>	<b>319.61</b>	<b>680.58</b>	-
<b>Purchase of Products</b>								
Greenply Industries Ltd.	-	-	-	-	168.42	178.30	-	-
<b>Total</b>	-	-	-	-	<b>168.42</b>	<b>178.30</b>	-	-
<b>Reimbursement Received</b>								
Greenlam Asia Pacific Pte. Ltd.	0.80	6.86	-	-	-	-	-	-
Greenlam America, Inc.	2.20	3.46	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	1.18	4.59	-	-	-	-	-	-
<b>Total</b>	<b>4.18</b>	<b>14.91</b>	-	-	-	-	-	-
<b>Rent Paid</b>								
Himalaya Granites Ltd.	-	-	-	-	47.25	46.20	-	-
Prime Properties Pvt Ltd.	-	-	-	-	-	18.38	-	-
Greenply Industries Ltd.	-	-	-	-	0.60	0.22	-	-
<b>Total</b>	-	-	-	-	<b>47.85</b>	<b>64.80</b>	-	-
<b>Payment towards Services received</b>								
Greenply Industries Ltd.	-	-	-	-	-	314.00	-	-
<b>Total</b>	-	-	-	-	-	<b>314.00</b>	-	-
<b>Interest paid on Loan received</b>								
Greenply Industries Ltd.	-	-	-	-	-	0.17	-	-
<b>Total</b>	-	-	-	-	-	<b>0.17</b>	-	-
<b>Investment</b>								
Greenlam Asia Pacific Pte. Ltd.	667.43	-	-	-	-	-	-	-
<b>Total</b>	<b>667.43</b>	-	-	-	-	-	-	-
<b>Loan Given</b>								
Greenlam Europe (UK) Ltd.	950.85	-	-	-	-	-	-	-
<b>Total</b>	<b>950.85</b>	-	-	-	-	-	-	-
<b>Interest received</b>								
Greenlam Europe (UK) Ltd.	1.04	-	-	-	-	-	-	-
<b>Total</b>	<b>1.04</b>	-	-	-	-	-	-	-
<b>Remuneration Paid</b>								
Shri Saurabh Mittal	-	-	324.05	189.99	-	-	-	-
Mrs. Parul Mittal	-	-	171.60	76.82	-	-	-	20.78
Mr. Vijay Kumar Chopra	-	-	11.78	10.51	-	-	-	-
Mrs. Urvashi Saxena	-	-	11.78	10.34	-	-	-	-
Ms. Sonali Bhagwati Dalal	-	-	11.78	10.17	-	-	-	-
Mr. Ashok Kumar Sharma	-	-	77.83	24.01	-	-	-	-
Mr. Prakash Kumar Biswal	-	-	28.20	8.11	-	-	-	-
<b>Total</b>	-	-	<b>637.02</b>	<b>329.95</b>	-	-	-	<b>20.78</b>
<b>Loan received and paid back</b>								
Greenply Industries Ltd.	-	-	-	-	-	25.00	-	-
<b>Total</b>	-	-	-	-	-	<b>25.00</b>	-	-

## Notes on Financial Statements for the year ended 31st March, 2016

### 32. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18 (contd.)

#### 32.2 Transactions during the year:

₹ in Lacs

Particulars	Subsidiaries		Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Amount outstanding as at Balance Sheet date</b>								
<b>Trade Receivable</b>								
Greenlam Asia Pacific Pte. Ltd.	315.53	224.17	-	-	-	-	-	-
Greenlam America, Inc.	-	1155.46	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	775.62	441.66	-	-	-	-	-	-
Greenply Industries Ltd.	-	-	-	-	35.94	-	-	-
Seema Realcon Pvt Ltd	-	-	-	-	-	-	47.24	-
<b>Total</b>	<b>1091.15</b>	<b>1821.29</b>	<b>-</b>	<b>-</b>	<b>35.94</b>	<b>-</b>	<b>47.24</b>	<b>-</b>
<b>Advance Received from Customer</b>								
Greenlam America, Inc.	210.76	-	-	-	-	-	-	-
<b>Total</b>	<b>210.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade Payable</b>								
Greenply Industries Ltd.	-	-	-	-	10.41	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.41</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loan Outstanding</b>								
Greenlam Europe (UK) Ltd.	951.89	-	-	-	-	-	-	-
<b>Total</b>	<b>951.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remuneration Payable</b>								
Shri Saurabh Mittal	-	-	15.32	9.01	-	-	-	-
Mrs. Parul Mittal	-	-	8.40	4.50	-	-	-	-
Mr. Ashok Kumar Sharma	-	-	6.08	3.60	-	-	-	-
Mr. Prakash Kumar Biswal	-	-	2.24	1.47	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>32.04</b>	<b>18.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

32.3 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).

Notes : Related Party Relationship is as identified by the Company and relied upon by the Auditors.

### 33. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY:

#### (I) Details of Loans:

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 (GBP in Lacs)	Amount (₹ in Lacs) *	Rate of interest	Security	Prevailing yield of 3 year Government Security at the time of extending the loan
1	23.03.2016	15.03.2016	Not Applicable	Greenlam Europe (UK) Ltd	For Business requirements	10.00	950.85	12 Month GBP LIBOR + 400 Basis Point with yearly reset, Presently ROI 5.0178%	NIL	2.85% to 4.125 % SBI Overseas Bond in Foreign Currency

\* Represents amount in ₹ at the year end conversion rate



## Notes on Financial Statements for the year ended 31st March, 2016

### 33. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY: (contd.)

#### (II) Details of Investments:

Sl No.	Date of Loan/ Guarantee/ 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 (USD in Lacs)	Amount (₹ in Lacs)*	Expected rate of return
1	13.01.2016	04.11.2015	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	5.00	331.93	Not Applicable
2	23.03.2016	04.11.2015	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	5.00	335.50	Not Applicable

\* Represents amount in ₹ at the year end conversion rate

#### (III) Details of Guarantee / Security Provided

Sl No.	Date of Loan/ Guarantee/ 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 Lacs)	Amount (₹ in Lacs)#	Expected rate of return
1	16.09.2015	29.05.2015	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	USD 10	662.48	Not Applicable
2	19.05.2015	18.05.2015	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	SGD 15.07	739.00	Not Applicable
3	17.08.2015	11.08.2015	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	USD 160	10599.60	Not Applicable
4	27.04.2015	20.04.2015	Not Applicable	Greenlam America Inc.	For business requirements.	USD 20	1324.95	Not Applicable
5	26.06.2015	29.05.2015	Not Applicable	Greenlam America Inc.	For business requirements.	USD 10	662.48	Not Applicable
6	24.08.2015	29.05.2015	Not Applicable	Greenlam Europe (UK) Ltd.	For business requirements	GBP 10	950.85	Not Applicable

\* Represents amount in ₹ at the year end conversion rate

\*Resolution passed by Operational & Finance Committee of Board of Directors of the Company

### 34. FLUCTUATION IN LONG TERM FOREIGN CURRENCY MONETARY ITEMS

The Company has exercised the option available to it under Rule 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, it has adjusted a loss of ₹185.56 lacs (Previous year ₹152.10 lacs) during the period to the cost of its fixed assets on account of such difference arising during the current period and has provided for depreciation thereon over the balance useful life of the respective assets. Consequently, the charge to the Statement of Profit and Loss is effected to that extent.

### 35. 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 31st March, 2015 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.

### 36. LEASES

The company has taken certain vehicles under non-cancelable operating lease arrangements. The future minimum lease payments in respect of such non-cancelable leases as at 31st March, 2016 are summarized below:

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Amount due within one year	51.34	59.69
Amount due between one year and five years	46.21	97.17
<b>Total</b>	<b>97.55</b>	<b>156.86</b>

## Notes on Financial Statements for the year ended 31st March, 2016

### 37. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date :

Particulars	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Purchase (Hedging of Buyers Credit)	EURO	1509515	1146.21	671196	471.68
	USD	228877	154.16	3652748	2341.68
			<b>1300.37</b>		<b>2813.36</b>
Purchase (Hedging of Trade Payables)	EURO	3271051	2466.90	517190	374.72
	USD	3058279	2026.03	3556924	2279.31
	JPY	20424600	120.53	19780807	107.43
			<b>4613.46</b>		<b>2761.46</b>

#### Interest Rate Swap

Notional amount USD 39.46 Lacs  
₹2614.41 Lacs (Previous year USD  
55.25 Lacs ₹3452.99 lacs)

Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 2.12 % p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.

Particulars of Unhedged Foreign Currency Exposures as at balance sheet date :

Particulars	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Foreign Currency Term Loans	USD	3946428	2614.41	5525000	3452.99
			<b>2614.41</b>		<b>3452.99</b>
Buyers Credit	EURO	520708	392.70	411312	277.32
	USD	436332	289.06	594166	371.33
			<b>681.76</b>		<b>648.65</b>
Trade Payables	EURO	1431635	1079.68	1745596	1176.92
	USD	2099820	1391.08	2324329	1452.65
	JPY	-	-	10993	0.06
	CHF	-	-	12699	8.19
	SGD	502	0.25	-	-
			<b>2471.01</b>		<b>2637.82</b>
Advance to Vendors	EURO	114738	86.53	171647	115.73
	USD	15043	9.97	42439	26.52
	SGD	-	-	2673	1.22
	GBP	13473	12.81	-	-
			<b>109.31</b>		<b>143.47</b>
Trade Receivables	EURO	2687895	2027.10	2387680	1609.83
	USD	2514482	1665.78	4439504	2774.58
	GBP	506736	481.83	-	-
			<b>4174.71</b>		<b>4384.41</b>
Loans and Advances	GBP	1001097	951.89	-	-
Advance from Customers	USD	318948	211.30	13571	8.48



## Notes on Financial Statements for the year ended 31st March, 2016

### 38. 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 Lacs

	As at 31st March, 2016	As at 31st March, 2015
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	-	-
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	-	-
iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
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.	-	-

### 39. VALUE OF IMPORTS ON C.I.F. BASIS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Raw Materials	21659.51	20845.81
Stores & Spare Parts	201.02	219.86
Capital Goods	766.93	2400.87
<b>Total</b>	<b>22627.46</b>	<b>23466.54</b>

### 40. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Revenue Expenditure	681.90	434.04

### 41. EARNINGS IN FOREIGN CURRENCY

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
FOB Value of Exports	32550.95	30222.02
Interest Received	1.04	-



## Notes on Financial Statements for the year ended 31st March, 2016

42. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.
43. 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 **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016



## Independent Auditors' Report

To  
The Members of  
**Greenlam Industries Limited**

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of GREENLAM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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..

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting



principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### OTHER MATTERS

We did not audit the financial statements of the two foreign subsidiaries whose financial statements reflect total assets of ₹14042.33 lacs as at 31st March, 2016, total revenues of ₹30855.34 lacs and net cash flows amounting to ₹1488.48 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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, and the Consolidated Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 as referred to in Note 19.1.1 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

Place of Signature: New Delhi  
Dated: 27th May, 2016



## Consolidated Balance Sheet as at 31st March 2016

₹ in Lacs

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	1206.82	1206.82
Reserves and Surplus	2	23304.63	20774.45
		24511.45	21981.27
<b>Minority Interest</b>		7.03	6.15
<b>Non-current Liabilities :</b>			
Long-Term Borrowings	3	14774.13	20937.99
Deferred Tax Liabilities (Net)	4	2641.30	1499.50
Other Long Term Liabilities	5	698.74	140.13
Long-Term Provisions	6	912.93	745.42
		19027.10	23323.04
<b>Current Liabilities</b>			
Short-Term Borrowings	7	11787.98	14243.57
Trade Payables	8	18898.24	18609.28
Other Current Liabilities	9	12506.49	5872.01
Short-Term Provisions	10	345.96	192.69
		43538.67	38917.55
<b>TOTAL :</b>		<b>87084.25</b>	<b>84228.01</b>
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
Fixed Assets :	11		
Tangible Assets		34626.23	31941.57
Intangible Assets		696.17	853.74
Capital Work-in-Progress		395.28	921.16
		35717.68	33716.47
Non-current Investments		-	-
Long Term Loans and Advances	12	501.62	928.85
Other Non-current Assets	13	53.08	527.43
		36272.38	35172.75
<b>Current Assets</b>			
Inventories	14	24735.13	23066.25
Trade Receivables	15	18407.62	18204.25
Cash and Bank Balances	16	523.00	585.65
Short Term Loans and Advances	17	7124.15	7186.52
Other Current Assets	18	21.97	12.59
		50811.87	49055.26
<b>TOTAL :</b>		<b>87084.25</b>	<b>84228.01</b>
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 37		

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016 ₹ in Lacs

	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>INCOME:</b>			
Sale of Products		103715.53	92,223.27
Other Operating Revenue		3595.19	4,055.60
		107310.72	96,278.87
Less : Central Excise Duty		4336.61	3,717.13
Revenue from Operations	20	102974.11	92,561.74
Other Income	21	283.14	192.22
<b>Total Revenue</b>		<b>103257.25</b>	<b>92,753.96</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	22	51049.71	50284.03
Purchase of Stock in Trade	23	2053.90	2304.55
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	24	628.40	149.68
Employees Benefits Expense	25	13980.44	11232.68
Finance Costs	26	3224.81	3018.77
Depreciation and Amortisation Expense	27	3497.02	3338.01
Other Expenses	28	22314.21	19195.78
Loss due to Fluctuation in Foreign Exchange Rates		269.38	380.69
<b>Total Expenditure</b>		<b>97017.87</b>	<b>89904.19</b>
<b>Profit before Tax</b>		<b>6239.38</b>	<b>2849.77</b>
<b>Tax Expense</b>			
Current Tax		1416.71	776.47
Add/ (Less) : Mat Credit Entitlement		(94.48)	(752.31)
		1322.23	24.16
Deferred Tax		1146.33	891.12
		<b>3770.82</b>	<b>1934.49</b>
Minority Interest		<b>0.56</b>	<b>1.27</b>
<b>Profit for the Year</b>		<b>3770.26</b>	<b>1933.22</b>
<b>Earnings per Equity Share of face value of ₹5 each</b>	29		
Basic (in ₹)		<b>15.62</b>	<b>23.58</b>
Diluted (in ₹)		<b>15.62</b>	<b>8.01</b>
Significant Accounting Policies			
See Accompanying Notes to the Financial Statements	1 to 37		

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016



## Consolidated Cash Flow Statement for the year ended 31st March, 2016 ₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
Profit before Taxation, and Extraordinary items	6239.38	2849.77
Add:		
a) Depreciation & Amortisation Expense	3497.02	3338.01
b) Finance Costs	3224.81	3018.77
c) Loss on Sale / Discard of Fixed Assets	28.68	17.03
d) Effect of Exchange Rate Changes	(456.56)	165.86
e) Unrealised Foreign Exchange Fluctuations	(29.80)	216.73
f) Provision for Doubtful Debts	92.68	35.70
g) Investment written off	1.00	-
h) Miscellaneous Expenditure written off	21.97	12.60
	6379.80	6804.70
	12619.18	9654.47
Less: Interest Income	83.27	106.60
Operating Profit before Working Capital Changes	12535.91	9547.87
Less:		
a) Increase in Trade and Other Receivables	(206.00)	1270.68
b) Increase in Inventories	1668.88	232.90
c) Decrease in Trade Payables	(1820.25)	(4817.51)
	(357.37)	(3313.93)
Cash Inflow (+)/Outflow (-) from Operations	12893.28	12861.80
Less: Income Tax Paid	1302.24	1106.16
<b>Net Cash Inflow (+)/Outflow (-) in course of Operating Activities</b>	<b>11591.04</b>	<b>11755.64</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>		
<b>OUTFLOW</b>		
a) Acquisition of Fixed Assets	5241.66	10093.56
b) Interest amount Capitalised	175.21	346.73
	5416.87	10440.29
Less : INFLOW		
a) Sale of Fixed Assets	37.95	80.33
b) Interest Received	87.91	107.12
	125.86	187.45
<b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b>	<b>(5291.01)</b>	<b>(10252.85)</b>

## Consolidated Cash Flow Statement (contd.) for the year ended 31st March, 2016 ₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>				
INFLOW				
a) Proceeds from Long Term Borrowings	7550.00		12393.01	
b) Short Term Borrowings (Net)	(2455.59)		(7262.47)	
c) Deferred Payment Liabilities (Net)	(28.37)		33.46	
		5066.04		5164.00
DEDUCT : OUTFLOW				
a) Miscellaneous Expenditure	67.95		61.63	
b) Repayment of Long Term Borrowings	7944.92		3292.06	
c) Interest Paid	3224.81		3021.33	
d) Dividend & Corporate Dividend Tax Paid	145.25		-	
		11382.93		6375.02
<b>Net Cash Inflow in course of Financing Activities</b>		<b>(6316.89)</b>		<b>(1211.02)</b>
<b>Net Increase (+) / Decrease in Cash/Cash Equivalents</b>		<b>(16.86)</b>		<b>291.77</b>
Add : Balance at the beginning of the year		499.22		3.07
Add: Amount adjusted pursuant to Scheme of Arrangement		-		204.38
		<b>499.22</b>		<b>207.45</b>
<b>Cash / Cash Equivalents at the close of the Year</b>		<b>482.36</b>		<b>499.22</b>

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016



## Significant Accounting Policies and notes forming part of Consolidated Financial Statements

### 1.00 SIGNIFICANT ACCOUNTING POLICIES:

#### 1.01 DISCLOSURE OF ACCOUNTING POLICIES (AS-1):

##### 1.01.01 Nature of Operation

Company is engaged in the business of manufacturing laminates, decorative veneers and allied products through its factories at various locations and branches and dealers' network spread all over the country. It has two wholly owned subsidiary companies operating in overseas countries. 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 products.

##### 1.01.02 Accounting Concepts & Basis of Presentation

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-current".

Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

##### 1.01.03 Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

##### 1.01.04 Companies included in Consolidation:

Greenlam Asia Pacific Pte Ltd. (Formerly: Gil Intercontinental Pte. Ltd.), Singapore and its four step down subsidiaries viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Greenlam Holding Co. Ltd., PT. Greenlam Asia Pacific and Greenlam Europe (UK) Ltd. and Greenlam America Inc., Florida (U.S.A), continued to be the wholly-owned subsidiaries of the Company, The minority interest in the step-down subsidiaries viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Greenlam Holding Co. Ltd. and PT. Greenlam Asia Pacific. is 2.50%, 1.00% and 1.00% respectively.

The financial statements of the Subsidiaries for the entire year have been included in the Group's Consolidated Financial Statements.

#### 1.02 VALUATION OF INVENTORIES (AS-2):

**1.02.01** Stock of Raw Materials, Stores and spare parts are valued at lower of cost or net realisable value; and of those in transit related to these items are valued at lower of cost to date or net realisable value

**1.02.02** Goods-in-process is valued at lower of cost or net realisable value.

**1.02.03** Stock of Finished goods is valued at lower of cost or net realisable value.

**1.02.04** Stock-in-trade is valued at lower of cost or net realisable value.

**1.02.05** Waste and scraps are accounted at estimated realisable value.

**1.02.06** 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 and notes forming part of Consolidated Financial Statements

**1.02.07** The self-generated Certified Emission Reductions (CERs) are recognized as asset on certification by UNFCCC and are valued at lower of cost or net realisable value.

### 1.03 CASH FLOW STATEMENT (AS – 3):

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 regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments (excluding pledged term deposits) with an original maturity of three months or less.

### 1.04 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS -4):

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.

### 1.05 DEPRECIATION (AS – 3):

#### Relating to the Parent Company:

**1.05.01** Tangible assets are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. Where the historical cost of a depreciable asset undergoes a change due to increase or decrease in long term liability on account of exchange fluctuations, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

**1.05.02** Leasehold lands are amortised over the period of lease.

**1.05.03** Intangible assets are amortised on straight-line method as follows :

Trademarks	-	10 years
Computer Software	-	5 years
Technical Know-how	-	2 years

#### Relating to Greenlam Asia Pacific Pte. Ltd.

**1.05.04** Depreciation on fixed assets is calculated to write off the cost of the assets on a straight-line method over its estimated period of use.

#### Relating to Greenlam America Inc.

**1.05.05** Depreciation on fixed assets is provided for on Straight Line Method as used for Federal Income Tax purposes.

#### PT. Greenlam Asia Pacific

**1.05.06** 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:

Office Equipment	-	25% reducing balance
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### 1.06 REVENUE RECOGNITION (AS -9):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**1.06.01 Sale of Goods:** Revenue from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Gross sales shown in the Statement of Profit & Loss are inclusive of Excise Duty but excludes Trade discounts, CST and VAT. Net sales are shown after deducting Excise duty which is disclosed at appropriate places.

**1.06.02 Interest:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

**1.06.03 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

**1.06.04 Insurance Claims:** Insurance Claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on grounds of prudence.



## Significant Accounting Policies and notes forming part of Consolidated Financial Statements

**1.06.05 Export Incentives:** Benefit on account of entitlement to import goods free of duty under the Advance Authorisation Scheme, Merchandise Export Incentives Scheme (MEIS), Duty Free Import Authorisation (DFIA) Scheme, and Focus Market Scheme (FMS), are accounted for on accrual basis at estimated realisable value, as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, MEIS, DFIA, FMS and/or the same are sold.

### 1.07 ACCOUNTING FOR TANGIBLE AND INTANGIBLE ASSETS (AS – 10):

**1.07.01** Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortisation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

**1.07.02** Tangible 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.

**1.07.03** The Company has exercised the option available to it under Rule 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to “Long Term Foreign Currency Monetary Items”.

**1.07.04** Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

### 1.08 ACCOUNTING FOR THE EFFECTS IN FOREIGN EXCHANGE RATES (AS – 11):

**1.08.01 Initial Recognition:** Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.

**1.08.02 Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**1.08.03 Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

**1.08.04 Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability:** The premium or discount arising at the inception of forward exchange contract is recognized as an expense/income on the date of transaction. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

**1.08.05 Non-Integral Foreign Operations:** In case of its wholly owned subsidiary company, being non-integral foreign operations, the items are translated by applying (a) actual rates for items of income and expenses in the Statement of Profit and Loss and (b) closing rate in respect of both monetary and non-monetary items in the Balance Sheet. The resulting exchange differences relating to long-term monetary items are accumulated in a separate account, rather than being recognised in the Statement of Profit and Loss. Such difference is ultimately dealt with when the net investment in the related foreign operation is disposed off.

### 1.09 ACCOUNTING FOR INVESTMENTS (AS – 13):

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as Non-Current/Long-term Investments. Current investments are carried at lower of cost and market value on individual investment basis. Non-Current/Long term Investments are considered at cost, unless there is an “other than temporary” decline in value, in which case adequate provision is made for the diminution in the value of Investments.



## Significant Accounting Policies and notes forming part of Consolidated Financial Statements

### 1.10 EMPLOYEE BENEFITS (AS – 15):

1.10.01 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.

1.10.02 Past employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

### 1.11 BORROWING COSTS (AS – 16):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### 1.12 SEGMENT REPORTING (AS – 17):

#### 1.12.01 Identification of Segments:

##### Primary Segment

##### *Business Segment:*

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 & Sale of (a) Laminate & Allied products; and (b) Veneer & Allied products.

##### Secondary Segment

##### *Geographical Segment:*

The analysis of geographical segment is based on the geographical location of the customers..

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

#### 1.12.02 Allocation of Common costs:

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

#### 1.12.03 Unallocated items:

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

### 1.13 RELATED PARTY DISCLOSURES (AS – 18):

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

### 1.14 LEASES (AS – 19):

In accordance with Accounting Standard 19 "Accounting for leases", lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account.

### 1.15 EARNINGS PER SHARE (AS – 20):

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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 CONSOLIDATED FINANCIAL STATEMENTS (AS – 21):

1.16.01 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



## Significant Accounting Policies and notes forming part of Consolidated Financial Statements

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 to the extent practicable and in case of difference, the same is disclosed.

**1.16.02** All the two subsidiary Companies of the group are wholly owned.

### **1.17 ACCOUNTING FOR TAXES ON INCOME (AS-22):**

**1.17.01** Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

**1.17.02** 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.

**1.17.03** The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. 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. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**1.17.04** MAT (Minimum Alternate Tax) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### **1.18 INTANGIBLE ASSETS (AS – 26):**

**1.18.01** 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.

**1.18.02** 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.

### **1.19 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (AS-28)**

At each balance sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### **1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):**

**1.20.01** Provisions are made when (a) the Company has a present 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.



## Significant Accounting Policies and notes forming part of Consolidated Financial Statements

**1.20.02** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

**1.20.03** Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

### **1.21 EXCISE DUTY AND CUSTOM DUTY:**

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/bonding of materials.

### **1.22 CONSUMPTION OF RAW MATERIALS, STORES & SPARE PARTS ETC.:**

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.

### **1.23 SERVICE TAX & CESS:**

Various expenses are accounted for after deducting the input tax credit available in respect of Service Tax, Education Cess and Secondary & Higher Education Cess

### **1.24 EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:**

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the later on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss. In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognised where the Company retains the control of the asset and any future economic benefit accrues to it. A liability incurred by entering into a contractual obligation is recognised to the extent to which CSR activity is completed during the year.

### **1.25 MISCELLANEOUS EXPENDITURE WRITTEN OFF:**

Expenses related to Scheme of Arrangement, Fee for increase in Authorised Share Capital and Preliminary Expenses are written off in five equal annual installments in accordance with the provisions of Section 35DD of the Income Tax Act, 1961.



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 1. SHARE CAPITAL

	As at 31st March, 2016		As at 31st March, 2015	
	Number	₹ in Lacs	Number	₹ in Lacs
<b>1.1 Authorised</b>				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
<b>1.2 Issued, Subscribed and Fully Paid up</b>				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
<b>1.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	24136374	1206.82	100000	5.00
Add : Allotted during the year	-	-	24136374	1206.82
Less : Cancelled pursuant to Scheme of Arrangement	-	-	100000	5.00
<b>Total</b>	<b>24136374</b>	<b>1206.82</b>	<b>24136374</b>	<b>1206.82</b>

#### 1.4 Terms/Rights attached to the Equity Shares

The Company has only one class of equity Shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹1 (Previous year ₹0.50)

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.

#### 1.5 Name of the Shareholders holding more than 5% Shares

EQUITY SHARES	As at 31st March, 2016		As at 31st March, 2015	
	Number	%	Number	%
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Saurabh Mittal *	3306534	13.70%		
Greenply Leasing & Finance Pvt Ltd	2724481	11.29%	2714731	11.25%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
Ashish Dhawan	2032969	8.42%	2369488	9.82%
Westbridge Crossover Fund LLC	1901342	7.88%		
HDFC Trustee Company Ltd	1826049	7.57%	1833207	7.60%
HSBC Bank (Mauritius) Ltd A/C Jwalamukhi Investment Holdings*			2376884	9.85%

\* Comparative figure are not given as the % of holding is below 5%.

**1.6** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

**1.7** The Company for the period of five years immediately preceding the date of Balance Sheet (i.e. since incorporation) has:

- Allotted 2,42,36,374 equity shares ( including 1,00,000 equity shares issued to the subscribers to memorandum and article of association ) as fully paid and cancelled 1,00,000 equity shares pursuant to Scheme of Arrangement without payment being received in cash.
- Not allotted fully paid up shares by way of bonus shares.
- Not bought back any class of shares.

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 2. RESERVES AND SURPLUS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserve</b>		
Balance as per last Financial Statements	15020.44	-
Add: Amount adjusted pursuant to Scheme of Arrangement	-	15020.44
	15020.44	15020.44
<b>General Reserve</b>		
Balance as per last Financial Statements	100.00	-
Add: Transferred from Statement of Profit and Loss	400.00	100.00
	500.00	100.00
<b>Surplus, i.e. balance in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	5654.01	(0.80)
Add: Amount adjusted pursuant to Scheme of Arrangement	-	4035.35
Add : Profit for the year	3770.26	1933.22
Less : Adjustment for Depreciation on reassessment of useful lives of tangible assets	-	68.51
Less: Foreign Currency translation adjustment	949.58	-
Less : Transferred to General Reserve	400.00	100.00
Less : Proposed Dividend on Equity Shares [Dividend Per Share ₹1 (Previous year ₹0.50)]	241.36	120.68
Less : Tax on Distribution of Proposed Dividend	49.14	24.57
	7784.19	5654.01
<b>Total</b>	<b>23304.63</b>	<b>20774.45</b>

### 3. LONG-TERM BORROWINGS

₹ in Lacs

<b>Secured</b>		
Term Loans		
From Banks		
Foreign Currency Loans	10712.71	10997.15
Rupee Loans	13950.00	9912.50
	24662.71	20909.65
Less : Current maturities of Long Term Borrowings	9926.66	4044.77
	14736.05	16864.88
Deferred Payment Liabilities	54.02	-
Less: Current maturities of Deferred Payment Liabilities	27.01	-
	27.01	-
	14763.06	16864.88
<b>Unsecured</b>		
Term Loans		
From Banks		
Rupee Loans	-	4000.00
Less : Current maturities of Long Term Borrowings	-	-
Deferred Payment Liabilities	22.59	104.98
Less: Current maturities of Deferred Payment Liabilities	11.52	31.87
	11.07	73.11
<b>Total</b>	<b>14774.13</b>	<b>20937.99</b>



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 3. LONG-TERM BORROWINGS (contd.)

**3.1** Term Loans of ₹24662.71 lacs comprises of ₹16564.41 lacs availed by the Holding Company and ₹8098.30 lacs availed by Greenlam Asia Pacific Pte. Ltd. Term Loans of ₹16564.41 lacs are secured by first pari-passu charge on all movable fixed assets of the Holding Company, present and future, first pari-passu charge on immovable fixed assets of the Holding Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh), second pari-passu charge on all current assets of the Holding Company, present and future.

Term loan of ₹8098.30 lacs taken by Greenlam Asia Pacific Pte. Ltd., are secured against the property at 11, Sungei Kedat Crecent, Singapore, Corporate Guarantee from the Holding Company.

**3.2** Secured Deferred Payment liabilities are in respect of finance of Vehicle, Secured by hypothecation of respective vehicle.

### 3.3 Terms of Repayment and Rate of Interest of Term Loans

₹ in Lacs

	Rate of Interest	Repayment Schedule				
		2016-17*	2017-18	2018-19	2019-20	2020-21
<b>Term Loans from Banks</b>						
<b>Secured</b>						
10 Quarterly Installments	5.12%	1045.76	1045.76	522.89	-	-
20 Quarterly Installments	9.80%	750.00	1000.00	1000.00	1000.00	1250.00
20 Quarterly Installments	9.83%	100.00	400.00	400.00	400.00	250.00
17 Quarterly Installments	9.85%	630.00	840.00	1455.00	1660.00	415.00
20 Quarterly Installments	9.83%	600.00	600.00	600.00	600.00	-
34 Monthly Installments	3.90%	154.80	173.38	173.17	-	-
1 Yearly Installment	3.04%	-	950.85	-	-	-
1 Yearly Installment	3.55%	6646.10	-	-	-	-
		<b>9926.66</b>	<b>5009.99</b>	<b>4151.06</b>	<b>3660.00</b>	<b>1915.00</b>
<b>Deferred Payment Liabilities</b>						
Secured	10.25%	27.01	27.01	-	-	-
Unsecured	11.50%	1.56	-	-	-	-
	2.99%	9.96	6.26	4.81	-	-
		<b>38.53</b>	<b>33.27</b>	<b>4.81</b>	-	-

\* Represents Current Maturities of Long Term Borrowings.

**3.4** The Group has not defaulted in repayment of loans and interest during the period.

### 4. DEFERRED TAX LIABILITIES (NET) :

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>DEFERRED TAX LIABILITIES :</b>		
Depreciation	2335.48	1960.12
Others	901.70	-
	3237.18	1960.12
<b>LESS : DEFERRED TAX ASSETS :</b>		
Provision for Gratuity/Liabilities	595.88	460.62
<b>Total</b>	<b>2641.30</b>	<b>1499.50</b>

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 5. OTHER LONG TERM LIABILITIES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>Others</b>		
Security Deposits from Customers	165.82	140.13
Foreign Currency Transaction Adjustment	532.92	-
<b>Total</b>	<b>698.74</b>	<b>140.13</b>

### 6. LONG TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Provisions for Employee Benefits (unfunded)		
For Gratuity	627.10	477.86
For Leave Encashment	285.83	267.56
<b>Total</b>	<b>912.93</b>	<b>745.42</b>

### 7. SHORT TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>Secured</b>		
Loans Repayable on Demand		
Working Capital Loans		
From Banks		
Foreign Currency Loans	2964.68	4940.43
Rupee Loans	6841.17	3341.13
	9805.85	8281.56
<b>Unsecured</b>		
Other Loans and advances		
From Banks		
Foreign Currency Loan - Buyers' Credit	1982.13	3462.01
Rupee Loans (Repayable on Demand)	-	2500.00
	1982.13	5962.01
<b>Total</b>	<b>11787.98</b>	<b>14243.57</b>

7.1 Working Capital Loans of ₹6841.17 lacs are secured by first pari-passu charge on all current assets of the Holding Company, present and future, second pari-passu charge on all movable fixed assets of the Holding Company, present and future, second pari-passu charge on immovable fixed assets of the Holding Company's units at (a) Behror (Rajasthan) and (b) Nalagarh (Himachal Pradesh).

Working Capital Loans of ₹1017.00 lacs of Greenlam Asia Pacific Pte Ltd., are secured against first exclusive charge on all assets and accounts of the company, 10% cash margin for the LC facility, and Corporate Guarantee of the Holding Company. The bills payable LC-DP/TR is secured by bank's lien over the current assets of the Company for which a charge has been registered. Credit Facilities for Long Term Working Capital Requirements of the business was taken against the SBLC given by the holding company for an amount of USD 10,00,000

Working Capital Loans of ₹1947.68 lacs of Greenlam America Inc., are secured against SBLC given by the holding company.

7.2 The Group has not defaulted in repayment of loans and interest during the period.



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 8. TRADE PAYABLES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Dues to Micro and Small Enterprises (Refer Note No. 35)	-	-
Dues to Other than Micro and Small Enterprises	18898.24	18609.28
<b>Total</b>	<b>18898.24</b>	<b>18609.28</b>

### 9. OTHER CURRENT LIABILITIES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Current maturities of Long Term Borrowings*	9926.66	4044.77
Current maturities of Deferred Payment Liabilities*	38.53	44.06
Interest Accrued but not due on borrowings	40.34	31.09
Advance from Customers	426.10	230.80
Unpaid Dividend	0.11	-
Statutory Dues	2074.75	1521.29
<b>Total</b>	<b>12506.49</b>	<b>5872.01</b>

\* The terms are stated in notes nos. 3.1 to 3.3

9.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous period ₹ Nil)

### 10. SHORT TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Provisions for Employee Benefits (unfunded)		
For Gratuity	27.01	18.70
For Leave Encashment	24.70	15.76
Provision for Taxation	3.75	12.98
Proposed Dividend		
Equity Shares	241.36	120.68
Tax on Distribution of Proposed Dividend	49.14	24.57
<b>Total</b>	<b>345.96</b>	<b>192.69</b>

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 11. FIXED ASSETS

₹ in Lacs

Particulars	Gross Block						Depreciation					Net Block		
	As At 01/04/2015	Acquired pursuant to Scheme of Arrange- ment	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 31/03/2016	As At 31/03/2015	Acquired pursuant to Scheme of Arrange- ment	For the Year	Currency Translation Adjustment	Adjustment For Deductions	Total As At 31/03/2016	As At 31/03/2016	As At 31/03/2015
<b>OWN ASSETS</b>														
<b>Tangible Assets</b>														
Freehold Land	1095.53	-	-	-	-	1095.53	-	-	-	-	-	-	1095.53	1095.53
Leasehold Land	1551.88	-	23.40	-	-	1575.28	25.34	-	20.39	-	-	45.73	1529.55	1526.54
Land Development	603.11	-	-	-	-	603.11	2.67	-	4.12	-	-	6.79	596.32	600.44
Buildings	11924.22	-	1538.97	77.11	44.99	13495.31	1786.39	-	482.85	24.60	17.09	2276.75	11218.56	10137.83
Plant and Equipments	27698.74	-	4108.93	2.93	20.72	31789.88	11250.45	-	2295.75	1.48	9.74	13537.94	18251.94	16448.30
Furniture and Fixtures	1592.32	-	121.75	17.49	11.25	1720.31	527.67	-	201.34	12.05	6.95	734.11	986.20	1064.65
Vehicles	875.91	-	3.53	5.70	59.14	826.00	406.39	-	99.37	4.68	38.64	471.80	354.20	469.52
Heavy Vehicles	12.92	-	-	-	-	12.92	12.05	-	0.09	-	-	12.14	0.78	0.87
Office Equipments	1213.99	-	190.63	15.30	40.24	1379.68	616.10	-	197.18	10.54	37.29	786.53	593.15	597.89
<b>Sub Total</b>	<b>46568.62</b>	<b>-</b>	<b>5987.21</b>	<b>118.53</b>	<b>176.34</b>	<b>52498.02</b>	<b>14627.06</b>	<b>-</b>	<b>3301.09</b>	<b>53.35</b>	<b>109.71</b>	<b>17871.79</b>	<b>34626.23</b>	<b>31941.57</b>
<b>Intangible Assets</b>														
Goodwill	619.79	-	-	36.35	-	656.14	112.50	-	118.08	7.92	-	238.50	417.64	507.29
Trademarks	81.99	-	-	-	13.41	68.58	80.79	-	1.20	-	13.41	68.58	-	1.20
Computer Software	396.82	-	10.66	-	-	407.48	51.57	-	77.38	-	-	128.95	278.53	345.25
Technical Knowhow	304.23	-	-	-	-	304.23	304.23	-	-	-	-	304.23	-	-
<b>Sub Total</b>	<b>1402.83</b>	<b>-</b>	<b>10.66</b>	<b>36.35</b>	<b>13.41</b>	<b>1436.43</b>	<b>549.09</b>	<b>-</b>	<b>196.66</b>	<b>7.92</b>	<b>13.41</b>	<b>740.26</b>	<b>696.17</b>	<b>853.74</b>
<b>Capital Work In Progress</b>	<b>921.16</b>	<b>-</b>	<b>394.76</b>	<b>-</b>	<b>920.64</b>	<b>395.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395.28</b>	<b>921.16</b>
<b>Total</b>	<b>48892.61</b>	<b>-</b>	<b>6392.63</b>	<b>154.88</b>	<b>1110.39</b>	<b>54329.73</b>	<b>15176.15</b>	<b>-</b>	<b>3497.75</b>	<b>61.27</b>	<b>123.12</b>	<b>18612.05</b>	<b>35717.68</b>	<b>33716.47</b>
Previous Period Total	-	38489.45	17471.68	(79.28)	6989.24	48892.61	-	11853.46	3406.55	(29.32)	54.54	15176.15	33716.47	-

11.1 Addition to Plant and Equipments includes loss of ₹185.56 lacs (Previous year ₹152.10 lacs) on account of fluctuation in Foreign Exchange Rates.

11.2 Borrowing Cost capitalised during the year ₹175.21 lacs (Previous year ₹346.73 lacs), included in tangible assets ₹175.21 lacs (Previous year ₹335 lacs) and Capital Work in Progress ₹ Nil (Previous Year ₹11.73 lacs).

### 12. LONG TERM LOANS & ADVANCES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Unsecured, Considered good		
Capital Advances	153.97	605.65
Security Deposits	347.65	323.20
<b>Total</b>	<b>501.62</b>	<b>928.85</b>

### 13. OTHER NON-CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Foreign Currency Transaction Adjustment	-	490.02
Expenses pertaining to Scheme of Arrangement	48.55	30.28
Fees for Increase in Authorised Capital	4.20	6.30
Preliminary Expenses	0.33	0.83
<b>Total</b>	<b>53.08</b>	<b>527.43</b>



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 14. INVENTORIES (at lower of cost or net realisable value)

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Raw Materials [including at Customs Warehouse ₹1110.67 lacs (Previous year ₹1142.97 lacs)]	13172.16	11231.67
Stock in Process	1616.53	939.09
Finished Goods [including in Transit ₹954.02 lacs (Previous year ₹848.19 lacs)]	8861.57	9936.28
Stock In Trade	186.06	166.83
Certified Emission Reductions (CER)	8.68	8.68
Stores & Spares	890.13	783.70
<b>Total</b>	<b>24735.13</b>	<b>23066.25</b>

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>14.1 Details of Closing Stock of Raw Materials</b>		
Paper	8120.57	7326.26
Veneer	2419.82	2174.31
Chemicals	1039.69	904.39
Plywood, Particle Board & MDF	1167.59	440.15
Cubicles & Rivets	257.21	133.13
Particle Core & Pine	167.28	253.43
<b>Total</b>	<b>13172.16</b>	<b>11231.67</b>
<b>14.2 Details of Closing Stock of Goods-in-Process</b>		
Timber	21.34	31.72
Laminates	118.03	120.79
Veneer	545.35	91.50
Chemicals	72.80	67.60
Paper	298.15	453.63
Flooring Planks	560.86	173.85
<b>Total</b>	<b>1616.53</b>	<b>939.09</b>
<b>14.3 Details of Closing Stock of Finished Goods</b>		
Decorative Laminates	7957.62	9441.30
Decorative Veneers	490.04	288.34
Engineered Wood Flooring	383.36	201.38
Pre-Laminated Particle Board	7.03	5.26
Engineered Door Sets & Door Leaf	23.52	-
<b>Total</b>	<b>8861.57</b>	<b>9936.28</b>
<b>14.4 Details of Closing Stock of Stock in Trade</b>		
Engineered Wood Flooring and Accessories	169.24	151.02
Decorative Laminates	16.82	15.81
<b>Total</b>	<b>186.06</b>	<b>166.83</b>
	<b>Numbers</b>	<b>Numbers</b>
<b>14.5 CERs held in inventory</b>	59864	59864

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 15. TRADE RECEIVABLES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months from date due for payment		
Secured, considered good	-	-
Unsecured, considered good	479.86	285.85
Unsecured, considered doubtful	128.39	35.70
	608.25	321.55
Less : Provision for Doubtful Trade Receivables *	128.39	35.70
	479.86	285.85
Other debts		
Secured, considered good	172.24	258.10
Unsecured, considered good	17755.52	17660.30
	17927.76	17918.40
<b>Total</b>	<b>18407.62</b>	<b>18204.25</b>

\* as per estimate of the management

### 16. CASH & BANK BALANCES

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
<b>16.1 Cash &amp; Cash Equivalents</b>		
Balances with Banks	464.99	364.09
Balances with Banks - unpaid dividend	0.11	-
Remittance in Transit	-	126.22
Cash on Hand	17.26	8.91
	<b>482.36</b>	<b>499.22</b>
<b>16.2 Other Bank Balances</b>		
Term Deposits with Banks (Receipts pledged with banks & others as security deposits)		
Maturity within 12 months	40.64	86.43
<b>Total</b>	<b>523.00</b>	<b>585.65</b>

### 17. SHORT TERM LOANS & ADVANCES (Unsecured, considered good)

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Advance to Staff & Workers	119.45	107.49
Advance against Purchases	1754.86	1293.94
Service Tax Input Credit Receivable	228.19	263.10
Balance with Central Excise Authorities	405.07	324.04
Advance Payment of Income Tax (Less Provision)	475.67	599.37
MAT Credit Entitlement	875.04	780.56
Advance Payment of Sales Tax (including unavailed VAT input credit)	229.55	280.50
Export Incentive Receivable	2296.88	3031.04
Prepaid Expenses	644.32	477.80
Insurance Claim Receivable	95.12	28.68
<b>Total</b>	<b>7124.15</b>	<b>7186.52</b>



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 18. OTHER CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Expenses pertaining to Scheme of Arrangement	19.55	10.09
Fees for Increase in Authorised Capital	2.10	2.10
Preliminary Expenses	0.32	0.40
<b>Total</b>	<b>21.97</b>	<b>12.59</b>

### 19. CONTINGENT LIABILITIES AND COMMITMENTS

#### 19.1 Contingent liabilities

##### 19.1.1 Pending Litigations:

Excise Duty, Sales Taxes and other Indirect Taxes claims disputed by the Company relating to issues of applicability and determination aggregating ₹2770.15 lacs (Previous year ₹2798.67 lacs).

Notes:

- Based on the discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.
- The company does not expect any reimbursements in respect of the above contingent liabilities.
- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

##### 19.1.2 Others:

- Letter of credit established but material not received amounting to ₹2799.20 lacs (Previous year ₹3202.27 lacs).
- Counter-Guarantees given to banks for Stand-by Letter of Credit (SBLC) facility ₹3600.76 lacs (Previous Year ₹2549.15 lacs).
- Guarantee given to Banks in respect of loans to its subsidiary USD 160.00 lacs & SGD 15.07 lacs (Previous Year Nil) equivalent to ₹11338.60 lacs ( Previous Year ₹ Nil) , translated at year-end exchange rate.
- Guarantee/Letter of Assurance given to Banks for Bills Discounting facility ( Channel Financing) ₹2750.00 lacs (Previous Year ₹ Nil) and outstanding amount under this Bills Discounting facility ₹760.28 lacs (Previous Year ₹ Nil)

#### 19.2 Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹603.92 lacs (Previous year ₹2555.02 lacs).
- Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil)
- Other commitments ₹ Nil (Previous year ₹ Nil)

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 20. REVENUE FROM OPERATIONS

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Sale of Products		103715.53		92223.27
Other Operating Revenue				
Export Incentive Received	3454.81		3974.67	
Insurance Claim Received	140.38	3595.19	80.93	4055.60
		107310.72		96278.87
Less : Central Excise Duty		4336.61		3717.13
<b>Total</b>		<b>102974.11</b>		<b>92561.74</b>

20.1 Company's unit at Nalagarh (Himachal Pradesh) is exempt from levy of Central Excise Duty.

### 20.2 Particulars of Sale of Products

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Decorative Laminates		86997.92		80215.71
[including exports ₹41808.57 lacs (Previous year ₹39068.17 lacs)]				
Decorative Veneers		13691.54		10680.73
[including exports ₹24.77 lacs (Previous year ₹32.15)]				
Engineered Wood Flooring		1828.55		548.37
[including exports ₹50.54 lacs (Previous year ₹0.55 lacs)]				
Pre-Laminated Particle Board		492.18		147.61
Engineered Door Sets & Door Leaf		111.86		-
[including exports ₹41.10 lacs (Previous year ₹ Nil)]				
Others		593.48		630.85
[including exports ₹2.82 lacs (Previous year ₹3.16)]				
<b>Total</b>		<b>103715.53</b>		<b>92223.27</b>

### 21. OTHER INCOME

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Wages & Other Subsidy Received		52.17		49.81
Interest Income		83.27		106.60
Liabilities no longer required written back		34.01		23.73
Rent Received		-		9.97
Miscellaneous Income		113.69		2.11
<b>Total</b>		<b>283.14</b>		<b>192.22</b>



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 22. COST OF MATERIALS CONSUMED

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Paper		28856.69		27261.02
Timber		226.45		75.65
Veneer		3258.24		1791.40
Chemicals		14049.97		18281.48
Plywood, Particle Board and MDF		4129.07		2570.14
Hardware and Accessories		529.29		304.34
<b>Total</b>		<b>51049.71</b>		<b>50284.03</b>
		(%)		(%)
Imported	60%	30620.75	60%	30030.03
Indigenous	40%	20428.96	40%	20254.00
<b>Total</b>	<b>100%</b>	<b>51049.71</b>	<b>100%</b>	<b>50284.03</b>

22.1 Cost of Materials Consumed includes cost of materials sold ₹418.28 lacs (Previous year ₹605.73)

### 23. PURCHASE OF STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
Decorative Veneers		68.48		258.79
Decorative Laminates		1889.21		1884.65
Engineered Wood Flooring and Accessories		96.21		161.11
<b>Total</b>		<b>2053.90</b>		<b>2304.55</b>

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
<b>OPENING STOCK</b>				
Finished Goods	9936.28		-	
Stock in Trade	166.83		-	
Certified Emission Reductions (CER)	8.68		-	
Goods-in-Process	939.09	11050.88	-	-
<b>Add : Acquired pursuant to Scheme of Arrangement</b>				
Finished Goods	-		10367.54	
Stock in Trade	-		47.30	
CER	-		8.68	
Goods-in-Process	-	-	777.04	11200.56
		11050.88		11200.56
<b>CLOSING STOCK</b>				
Finished Goods	8861.57		9936.28	
Stock in Trade	186.06		166.83	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	1616.53	10672.84	939.09	11050.88
Currency translation reserve		250.36		-
<b>Total</b>		<b>628.40</b>		<b>149.68</b>

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 25. EMPLOYEES BENEFITS EXPENSE

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salary, Wages and Bonus	13029.38	10432.30
Contribution to Provident Fund & Employees' State Insurance	609.83	506.73
Employees' Welfare Expenses	341.23	293.65
<b>Total</b>	<b>13980.44</b>	<b>11232.68</b>

#### 25.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

- i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

#### iii) Employee Gratuity Benefit Calculations

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>a) Net Employee Expense/(benefit):</b>		
Current service cost	107.42	81.23
Interest cost on benefit obligation	38.48	27.96
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	48.95	49.08
<b>Total employer expenses</b>	<b>194.85</b>	<b>158.27</b>
<b>b) Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>c) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	654.11	496.56
<b>Benefit Asset / (Liability)</b>	<b>(654.11)</b>	<b>(496.56)</b>
<b>d) Movement in benefit liability:</b>		
Opening defined benefit obligation	496.56	-
Add: Obligation transferred pursuant to scheme of Arrangement	-	360.83
Interest cost on benefit obligation	38.48	27.96
Current service cost	107.42	81.23
Actuarial (gains) / losses	48.95	49.08
Less: Benefits paid	(37.30)	(22.54)
<b>Closing benefit obligation</b>	<b>654.11</b>	<b>496.56</b>
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8.00%	7.75%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	5.25%
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%



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 25. EMPLOYEES BENEFITS EXPENSE (contd.)

#### iv) Employee Leave Benefit Calculations

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>a) Net Employee Expense/(benefit):</b>		
Current service cost	74.13	69.42
Interest cost on benefit obligation	21.96	-
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	19.19	(109.07)
<b>Total employer expenses</b>	<b>115.28</b>	<b>(39.65)</b>
<b>b) Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>c) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	310.54	283.32
<b>Benefit Asset / (Liability)</b>	<b>(310.54)</b>	<b>(283.32)</b>
<b>d) Movement in benefit liability:</b>		
Opening defined benefit obligation	283.32	-
Add: Obligation transferred pursuant to scheme of Arrangement		361.51
Interest cost on benefit obligation	21.96	-
Current service cost	74.13	69.42
Actuarial (gains) / losses	19.19	(109.07)
Less: Benefits paid	(88.06)	(38.54)
<b>Closing benefit obligation</b>	<b>310.54</b>	<b>283.32</b>
<b>e) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8.00%	7.75%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6.00%	5.25%
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%

v) Amount incurred as expense for defined contribution to Provident Fund is ₹394.69 lacs (Previous Year ₹355.21 lacs).

The foregoing information relates to the parent company.

### 26. FINANCE COSTS

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest Expense	3067.20	2938.21
Other Borrowing Cost	157.61	80.56
<b>Total</b>	<b>3224.81</b>	<b>3018.77</b>

26.1 Borrowing Cost capitalised during the year ₹175.21 lacs (Previous year ₹346.73 lacs). (Refer Note No. 11.2)

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 27. DEPRECIATION & AMORTISATION EXPENSE

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Depreciation Expense	3394.67	3128.53
Amortisation Expense	103.09	278.02
	3497.76	3406.55
Less : Transfer to Surplus in the Statement of Profit & Loss	-	68.51
Less : Transfer to Pre-Operative Expenses	0.74	0.03
<b>Total</b>	<b>3497.02</b>	<b>3338.01</b>

### 28. OTHER EXPENSES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Consumption of stores and spares	609.04	302.41
Power & Fuel	2710.52	2631.63
Rent	1007.39	865.40
Repairs to buildings	79.32	32.47
Repairs to machinery	583.62	543.31
Insurance	255.02	228.01
Rates and taxes	748.61	415.05
Travelling expenses	1391.31	1239.83
Freight & delivery expenses	2732.21	2369.58
Export Expenses	2159.51	2879.99
Advertisement & Sales promotion	5888.04	4818.09
Auditors' Remuneration	55.18	52.55
Secretarial Auditor's Remuneration	1.00	0.80
Expenditure on CSR Activities	70.11	42.00
Bank Charges	317.44	278.21
Provision for Doubtful Debts	92.68	35.70
Investment written off	1.00	-
Loss on Sale / Discard of Assets	28.68	17.03
Independent Director's Commission*	25.76	25.28
Directors' Sitting Fees*	9.57	5.73
Miscellaneous Expenditure written off	21.97	12.60
Other General Expenses	3526.23	2400.11
<b>Total</b>	<b>22314.21</b>	<b>19195.78</b>

\* Inclusive of Service tax

### 28.1 CONSUMPTION OF STORES AND SPARES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Imported	93.50	219.86
Indigenous	515.54	82.55
<b>Total</b>	<b>609.04</b>	<b>302.41</b>



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 28. OTHER EXPENSES (contd.)

#### 28.2 AUDITORS' REMUNERATION

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
As Auditors	53.44	51.18
For other services	1.74	1.37
<b>Total</b>	<b>55.18</b>	<b>52.55</b>

#### 28.3 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lacs

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Gross Amount required to be spent by the Company during the year	35.53	-
(b) Amount spent during the year in Cash on :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Contribution towards Woman and Child Health Care	34.00	42.00
- Contribution towards Education of Orphan Girl Child	36.11	-
	<b>70.11</b>	<b>42.00</b>

### 29. EARNINGS PER SHARE

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Calculation of weighted average number of equity shares of ₹5 each</b>		
No of Shares at the beginning of the year	24136374	100000
Shares issued on 29.11.2014	-	24036374
Total number of equity shares outstanding at the end of the year	24136374	24136374
Equity shares outstanding for 366/365 days	24136374	100000
Equity shares outstanding for 123 days	-	24036374
Weighted average number of equity shares outstanding during the year	24136374	8199929
Net Profit (after tax, available for equity shareholders)	₹ in Lacs 3770.26	1933.22
<b>BASIC EARNINGS PER SHARE</b>	<b>₹ 15.62</b>	<b>23.58</b>
Total no of Shares including pending allotment at the beginning of the year	24136374	100000
No. of Equity Shares to be issued pursuant to Scheme of Arrangement excluding shares to be cancelled on allotment	-	24036374
Total no. of equity shares including pending allotment outstanding at the end of the period	24136374	24136374
Equity shares outstanding for 232 days	-	-
Equity shares outstanding for 365 days	24136374	24136374
Weighted average number of equity shares outstanding during the year	24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs 3770.26	1933.22
<b>DILUTED EARNINGS PER SHARE</b>	<b>₹ 15.62</b>	<b>8.01</b>

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 30. SEGMENT REPORTING (Under Accounting Standard AS - 17)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March 2016

#### Information about Business Segments - Primary

₹ in Lacs

REPORTABLE SEGMENT	Laminate & Allied products		Veneer & Allied products		Unallocated		Total	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>REVENUE</b>								
External Sales	87982.45	81030.37	15733.08	11192.90	-	-	103715.53	92223.27
Inter-segment Sales	-	-	-	-	-	-	-	-
Gross Sales	87982.45	81030.37	15733.08	11192.90	-	-	103715.53	92223.27
Less : Excise Duty	2536.98	2467.66	1799.63	1249.47	-	-	4336.61	3717.13
<b>Net Sales</b>	<b>85445.47</b>	<b>78562.71</b>	<b>13933.45</b>	<b>9943.43</b>	-	-	<b>99378.92</b>	<b>88506.14</b>
Other Operating Income	3595.19	4055.60	-	-	-	-	3595.19	4055.60
<b>Revenue from Operation</b>	<b>89040.66</b>	<b>82618.31</b>	<b>13933.45</b>	<b>9943.43</b>	-	-	<b>102974.11</b>	<b>92561.74</b>
<b>RESULT</b>								
Segment Result	11442.08	5931.02	499.70	1564.83	-	-	11941.78	7495.85
Unallocated Corporate Expenses					2560.86	1733.91	2560.86	1733.91
<b>Operating Profit</b>							<b>9380.92</b>	<b>5761.94</b>
Less : Interest Expense					3224.81	3018.77	3224.81	3018.77
Add : Interest Income					83.27	106.60	83.27	106.60
<b>Profit before Tax</b>							<b>6239.38</b>	<b>2849.77</b>
Current Tax							1322.23	24.16
Deferred Tax							1146.33	891.12
<b>Profit after Tax</b>							<b>3770.82</b>	<b>1934.49</b>
<b>OTHER INFORMATION</b>								
Segment Assets	59885.58	63000.34	20771.27	16715.69	6352.35	3971.96	87009.20	83687.99
Segment Liabilities	18747.41	18460.60	3121.10	2474.65	995.74	535.45	22864.25	21470.70
Loan Fund					36527.30	39270.39	36527.30	39270.39
Deferred Tax Liabilities (Net)					2641.30	1499.50	2641.30	1499.50
Minority Interest					7.03	6.15	7.03	6.15
Shareholders' Funds					24969.32	21441.25	24969.32	21441.25
<b>Total Liabilities</b>							<b>87009.20</b>	<b>83687.99</b>
Capital Expenditure	3547.38	2856.65	1810.86	6775.60	58.63	808.04	5416.87	10440.29
Depreciation	2485.97	2637.13	778.35	442.26	232.70	258.62	3497.02	3338.01

#### Secondary Segment - Geographical by location of customers

₹ in Lacs

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2016	For the year ended 31.03.2015
Within India	57451.13	49402.11	76658.17	71329.44	5237.25	9805.44
Outside India	41927.79	39104.03	10351.03	12358.55	179.62	634.85
	<b>99378.92</b>	<b>88506.14</b>	<b>87009.20</b>	<b>83687.99</b>	<b>5416.87</b>	<b>10440.29</b>

#### NOTES:

##### a) Business Segments :

A description of the types of products and services provided by each reportable segment is as follows:

**Laminate & Allied Products:** The Segment is engaged in the business of manufacturing of Laminates, compact laminates and other allied products through its wholesale and retail network.

**Veneered & 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).



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 30. SEGMENT REPORTING (Under Accounting Standard AS - 17) (contd.)

#### 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).

### 31. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18

#### 31.1 List of related parties and relationship:

##### a) Related parties with whom transactions have taken place during the year.

##### Key Management Personnel

- i) Mr. Saurabh Mittal, Managing Director & CEO
- ii) Mrs. Parul Mittal, Whole-Time Director
- iii) Mr. Vijay Kumar Chopra, Independent Director
- iv) Mrs. Urvashi Saxena, Independent Director
- v) Ms. Sonali Bhagwati Dalal, Independent Director
- vi) Mr. Ashok Kumar Sharma, Chief Financial Officer
- vii) Mr. Prakash Kumar Biswal, Company Secretary

##### Enterprises Owned/Influenced by Key Management Personnel or their relatives

- i) Himalaya Granites Ltd.
- ii) Prime Properties Pvt Ltd.
- iii) Greenply Industries Ltd.

##### Relatives of Key Management Personnel

- i) Mrs. Parul Mittal (Wife of Mr. Saurabh Mittal)
- ii) Seema Realcon Pvt Ltd ( Brother of Mrs Parul Mittal is a Director in Seema Realcon Pvt Ltd.)

#### 31.2 Transactions during the year:

₹ in Lacs

Particulars	Key Management Personnel		Enterprises Owned/Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Sale of Products</b>						
Greenply Industries Ltd.	-	-	208.27	319.61	-	-
Seema Realcon Pvt Ltd	-	-	-	-	680.58	-
<b>Total</b>	-	-	<b>208.27</b>	<b>319.61</b>	<b>680.58</b>	-
<b>Purchase of Products</b>						
Greenply Industries Ltd.	-	-	168.42	178.30	-	-
<b>Total</b>	-	-	<b>168.42</b>	<b>178.30</b>	-	-
<b>Rent Paid</b>						
Himalaya Granites Ltd.	-	-	47.25	46.20	-	-
Prime Properties Pvt Ltd.	-	-	-	18.38	-	-
Greenply Industries Ltd.	-	-	0.60	0.22	-	-
<b>Total</b>	-	-	<b>47.85</b>	<b>64.80</b>	-	-
<b>Payment towards Services received</b>						
Greenply Industries Ltd.	-	-	-	314.00	-	-
<b>Total</b>	-	-	-	<b>314.00</b>	-	-
<b>Interest paid on Loan received</b>						
Greenply Industries Ltd.	-	-	-	0.17	-	-
<b>Total</b>	-	-	-	<b>0.17</b>	-	-
<b>Remuneration Paid</b>						
Shri Saurabh Mittal	324.05	189.99	-	-	-	-
Mrs. Parul Mittal	171.60	76.82	-	-	-	20.78
Mr. Vijay Kumar Chopra	11.78	10.51	-	-	-	-
Mrs. Urvashi Saxena	11.78	10.34	-	-	-	-
Ms. Sonali Bhagwati Dalal	11.78	10.17	-	-	-	-
Mr. Ashok Kumar Sharma	77.83	24.01	-	-	-	-
Mr. Prakash Kumar Biswal	28.20	8.11	-	-	-	-
<b>Total</b>	<b>637.02</b>	<b>329.95</b>	-	-	-	<b>20.78</b>

## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 31. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18 (contd.)

₹ in Lacs

Particulars	Key Management Personnel		Enterprises Owned/Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Loan received and paid back</b>						
Greenply Industries Ltd.	-	-	-	25.00	-	-
<b>Total</b>	-	-	-	<b>25.00</b>	-	-
<b>Amount outstanding as at Balance Sheet date</b>						
<b>Trade Receivable</b>						
Greenply Industries Ltd.	-	-	35.94	-	-	-
Seema Realcon Pvt Ltd	-	-	-	-	47.24	-
<b>Total</b>	-	-	<b>35.94</b>	-	<b>47.24</b>	-
<b>Trade Payable</b>						
Greenply Industries Ltd.	-	-	10.41	-	-	-
<b>Total</b>	-	-	<b>10.41</b>	-	-	-
<b>Remuneration Payable</b>						
Shri Saurabh Mittal	15.32	9.01	-	-	-	-
Mrs. Parul Mittal	8.40	4.50	-	-	-	-
Mr. Ashok Kumar Sharma	6.08	3.60	-	-	-	-
Mr. Prakash Kumar Biswal	2.24	1.47	-	-	-	-
<b>Total</b>	<b>32.04</b>	<b>18.58</b>	-	-	-	-

Notes : Related Party Relationship is as identified by the Company and relied upon by the Auditors.

### 32. FLUCTUATION IN LONG TERM FOREIGN CURRENCY MONETARY ITEMS

The Company has exercised the option available to it under Rule 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, it has adjusted a loss of ₹185.56 lacs (Previous year ₹152.10 lacs) during the period to the cost of its fixed assets on account of such difference arising during the current period and has provided for depreciation thereon over the balance useful life of the respective assets. Consequently, the charge to the Statement of Profit and Loss is effected to that extent.

### 33. LEASES

The company has taken certain vehicles under non-cancelable operating lease arrangements. The future minimum lease payments in respect of such non-cancelable leases as at 31st March, 2015 are summarized below:

₹ in Lacs

	As at 31st March, 2016	As at 31st March, 2015
Amount due within one year	51.34	59.69
Amount due between one year and five years	46.21	97.17
<b>Total</b>	<b>97.55</b>	<b>156.86</b>

### 34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date :

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Purchase (Hedging of Buyers Credit)	1300.37	2813.36
Purchase (Hedging of Trade Payables)	4613.46	2761.46

#### Interest Rate Swap

Notional amount USD 39.46 Lacs  
₹2614.41 Lacs (Previous year USD  
55.25 Lacs ₹3452.99 lacs)

Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 2.12 % p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.



## Consolidated Notes on Financial Statements for the year ended 31st March, 2016

### 34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATION PURPOSE (contd.)

Particulars of Unhedged Foreign Currency Exposures as at balance sheet date :

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Foreign Currency Term Loans	10712.71	10997.16
Buyers Credit	681.76	648.65
Trade Payables	3084.93	3600.71
Advance to Vendors	1607.08	1197.29
Trade Receivables	9987.64	10780.53
Advance from Customers	211.30	25.27

### 35. 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 Lacs

	As at 31st March, 2016	As at 31st March, 2015
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	-	-
ii) Interest due on above	-	-
Total of (i) & (ii)	-	-
iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
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.	-	-

36. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

37. 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 **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. 306147E

**Saurabh Mittal**  
Managing Director and CEO  
(DIN : 00273917)

**Shiv Prakash Mittal**  
Non Executive Chairman  
(DIN : 00237242)

**(Dindayal Dhandaria)**  
Partner  
Membership No. 010928

**Ashok Kumar Sharma**  
Chief Financial Officer

**Prakash Kumar Biswal**  
Company Secretary & AVP - Legal

Place of Signature : New Delhi  
Dated : 27th May, 2016





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