Greenlam
Industries Limited

Greenlam/2017-18
August 23, 2017

The Manager,
BSE Limited
Department of Corporate Services
Floor 25, P.J. Towers, Dalal Street
Mumbai - 400 001
Fax No. 022-2272-3121/1278/1557/3354
Email: corp.relations@bseindia.com

BSE Scrip Code: **538979**

The Manager,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E)
Mumbai - 400 051
Fax No. 022-2659-8237/8238/8347/8348
Email: cmlist@nse.co.in

NSE Symbol: **GREENLAM**

Sub: Annual Report for the Financial Year 2016-17

Dear Sir/ Madam,

Pursuant to Regulation 34 of the 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 2016-17 duly approved and adopted by the Members of the Company, at the 4th Annual General Meeting of the Company held on August 21, 2017 at the Registered Office of the Company at Makum Road, Tinsukia, Assam-786125.

This is for your information and records.

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

GREENLAM INDUSTRIES LIMITED NEW DELHI

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

Greenlam Industries Limited
1501-1505, Narain Manzil,
23, Barakhamba Road,
New Delhi - 110001, India

Tel : +91-011-42791399
Fax : +91-011-42791330
Email : info@greenlam.com

www.greenlamindustries.com

Registered Office :
Makum Road, Tinsukia,
Assam - 786125
Corporate Identity Number
L21016AS2013PLC011624

GREENLAM INDUSTRIES LIMITED

BEYOND!

Annual Report 2016-17



Contents



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 or any prior period are given in the non-statutory section only with the objective to provide the reader with a comparison.

At Greenlam Industries, the spirit of going beyond is manifested in a culture that is anchored around unconventional thinking.

Take a story that best displays this attitude. During the period of demonetisation, when most players focused on loosening their terms of trade channel to tide over the difficult period – we did the opposite! We tightened the credit cycle. The counter-pressure from the trade was enormous. Some questioned that our timing; others anticipated our decision would be reversed.

We remained steadfast. We felt that this period would be the most strategic to re-center our terms of trade, which slackened over the years.

It is times like these that test a company's character; eventually, the trade channel accepted this new norm. The result was that during 2016-17, we shrunk our receivables cycle by nine days, enhancing our liquidity.

We did not test the limit; we extended beyond.

Corporate Information

As on May 25, 2017



Ms. Urvashi Saxena, Ms. Parul Mittal, Mr. Saurabh Mittal, Ms. Sonali Bhagwati Dalal (standing left to right), and Mr. Vijay Kumar Chopra, Mr. Shiv Prakash Mittal (sitting left to right)

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. Urvashi Saxena, Independent Director
Ms. Sonali Bhagwati Dalal, Independent Director

Audit Committee

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

Nomination & Remuneration Committee

Mr. Vijay Kumar Chopra, *Chairman*
Mr. Shiv Prakash Mittal
Ms. Urvashi 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

Corporate Office

1501-05, Narain Manzil,
23, Barakhamba Road,
New Delhi-110001, India.
Phone No.: +91 11 42791399,
Fax No.: +91 11 42791330
Email:investor.relations@greenlam.com
Website: www.greenlamindustries.com

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
HDFC Bank Limited
ICICI Bank Limited
IDFC Bank Limited
Citibank, NA.
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

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

Manufacturing facility

- Behror, Rajasthan
- Nalagarh, Himachal Pradesh

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
Phone No.: +91 11 41410592
Fax No.: +91 11 41410591

Greenlam

sold 12.72 mn laminate sheets in 2016-17. Stacked, this pile would scale Burj Khalifa, the world's tallest building – 15 times over!

A rich legacy

Greenlam Industries Limited's strong heritage can be traced to the de-merger of its Decorative Business Division from Greenply Industries Limited in 2014 and subsequent listing of its equity share on the BSE Limited and National Stock Exchange of India Limited in 2015.

Today, the Company enjoys robust experience in the Indian laminates and allied products industry, credited with pioneering several industry-leading initiatives across product branding, innovation, sales & marketing and customer service. The promoters also possess a strong track record with Mr. Shiv Prakash Mittal (Non-Executive Chairman) enjoying over three decades of deep sectoral experience and Mr. Saurabh Mittal (Managing Director & CEO) possessing two decades of rich experience in the business.

Our stack

- Among the top 3 laminates producers in the world
- Asia's largest laminates brand
- India's *numero uno* decorative laminate and decorative veneer company
- India's largest exporter of laminates and compact laminates
- Only manufacturer of engineered wood flooring in the country
- First organized manufacturer of engineered door sets (doors and frames) in India

Geographic sprawl

Greenlam Industries enjoys a strong presence in over 100 countries including the US, the UK, Singapore, Hong Kong and the UAE. The Company has a pan-India presence with 11 owned large regional distribution centres, 32 branch offices, sales force of 500+ and more than 14,000 distributors, dealers and retailers.

Decorating spaces has taken us places!

Greenlam is the largest manufacturer of laminates in Asia and globally the third largest with a 19% share of the organised laminate market in India.

Anchored around ethics

Our core values

Trust	TRUST PEOPLE TO BE RELIABLE AND RESPONSIBLE AND EARN THEIR TRUST SIMILARLY.	Our dealings with the overall environment including individual employees, vendors, business partners, investors, customers and the society at large would be in the premise of good faith. We empower our employees by placing trust in them to take decisions in the best interest of the organization and as per promulgated norms.
Performance	WE VALUE PERFORMANCE ACROSS PRODUCTS, PEOPLE AND PROCESSES.	Performance is valued as the core ingredient for sustainability and is the underlying metric for selecting people, products or processes for the organization. For us, performance means delivering on our commitment across every parameter. It also entails effort and a continuing endeavour to defy the *status quo* in order to achieve all-round excellence.
Learning	WE ENCOURAGE LEARNING; CREATING AND NURTURING TALENT.	Our organization facilitates the learning of our employees and continuously transforms itself to align with the evolving needs of the marketplace. We also support formal learning through structured programs to empower people and help them unlock their potential.
Team work	WE ACHIEVE MORE BY COLLABORATION WITH ALL STAKEHOLDERS – INTERNAL AND EXTERNAL.	Given the inter-linkage of output of others with our performance, we nurture a sense of collaboration with our environment. Internally, if a peer fails, the team cannot succeed and individual success means little in a failed team. Also, our customers, partners and investors need to succeed.
Speed and agility	WE ARE QUICK TO DECIDE, RESPOND AND EXECUTE.	We value decisions being made without undue procrastination and being implemented within the shortest possible time because we value this as a source of our competitive advantage. Individuals are therefore held accountable wherever any delays are attributable to them either in the decision making or implementation process. Similarly, we respond to the market proactively rather than reacting when situation reaches a point where inaction becomes unaffordable.

Manufacturing leadership

Product	Capacity	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	2.00 mn sq. m	Complements the laminates and allied products range
Engineered wood flooring	1.00 mn sq. m	First and only manufacturer in India
Engineered door sets	0.12 mn doors	First and only manufacturer in India

* Proposed capacity expansion of 2 mn sheets by Q1, 2017-18

Production assets

Two state-of-the-art and strategically-located manufacturing facilities:



Behror,
Rajasthan

Products range	Key advantages	Mid-term plans
• Laminates and compact laminates • Decorative veneers • Engineered wood flooring • Engineered door sets • Melamine-faced chipboard	• Caters to the fast-growing Northern and Western Indian markets; exports from the Nhava Sheva Port and the Pipavav Port • Integrated facility with state-of-the-art equipment and processes • High manpower productivity	• Focus on capacity ramp-up • Enhance utilization levels to optimize overheads



Nalagarh,
Himachal Pradesh

Products range	Key advantages	Mid-term plans
• Laminates and compact laminates	• Principally caters to the exports markets from the Nhava Sheva Port and the Pipavav Port • Integrated facility with modern machinery • Tax and other fiscal benefits • Surplus space availability for expansion	• Operationalize the additional 2 mn sheets per annum capacity • De-bottleneck for existing capacity ramp-up

Brands portfolio

Greenlam Industries is India's only integrated and largest manufacturer of decorative surfacing and wood panel products. Over the time, the Company's Greenlam brand has become synonymous with trust and a proven expertise in laminates that straddles various sizes and price points. The Company's other product brands have also been able to carve out their niches with strong retail and institutional recall.

Greenlam – Laminates



Decowood – Premium veneers



Key numbers, 2016-17

- **9.16%** Turnover CAGR (past four years)
- **6.78%** FII/FPI holding, March 31, 2017
- **14,000+** Trade partner network, March 31, 2017
- **54.74%** Promoters' holding, March 31, 2017
- **1,700+** Team size, March 31, 2017
- **1,588.17** Market capitalization, March 31, 2017 (₹ in crore) (based on NSE closing price)

Mikasa – Real wood floors



Mikasa – Doors and frames



Green credentials

- First to receive the prestigious 'Green Guard' certification in India
- Member of Indian Green Building Council
- Certified by world's leading forest certification organisation
- First Indian brand to be certified by Green Label, Singapore
- First Indian Brand to trade in FSC® chain of Custody Certification



Saurabh Mittal,
Managing Director & CEO

"Our ability to report profitable growth in a challenging year represents our spirit of **'beyond'** – the ability to extend beyond the usual, commitment to enhance value beyond the ordinary and focus to extend the impact of our performance from the immediate to the sustainable."

The spirit of 'beyond'

If there were two words that faithfully encapsulated the year 2016-17, they would be 'disruptive unpredictability.'

If there was one reality that enabled us to counter disruptive unpredictability, it would be the spirit of 'beyond'.

The year was marked by a number of unexpected developments comprising one of the biggest upsets in US electoral history, Britain voting to exit the European Union and the largest currency demonetisation attempted in the history of humankind.

For a company that markets 43.9% of its consolidated revenues outside India, the year under review should hypothetically have been devastating. The reality is that Greenlam reported a 4.5% growth in revenues and 32.1% in profit after tax (at consolidated level). The ability of the Companyto report profitable growth in a challenging year represents its spirit of 'beyond' – the ability to extend beyond the usual, commitment to enhance value beyond the ordinary and a focus to extend the impact of our performance from the immediate to the sustainable.

New directional initiatives

At Greenlam Industries, we have always believed that sustainable success is derived from the ability to look, plan and implement beyond the immediate.

Over the years, this was reflected in our ability to invest in manufacturing facilities for the future, build more capacity than would be immediately needed, invest in the ability to scale capacity with speed by investing in additional infrastructure and completing the product mix in preparation for the markets of the future.

A number of people questioned this approach on the grounds that during the aggressive phase of capacity building, such an approach would not be value-accretive, that quarterly earnings would be affected and there could be a gestation between investment and returns. We believed that this would be the case in the short time during the phase of gestation; we also believed that when demand strengthened and our capacities were better utilized, the pass-through of increased revenues to RoCE would be quicker.

I am pleased to report that our performance in 2016-17 reflected precisely this conviction. We reported an increase in margins and overall business viability in the face of only a modest increase in revenues, which only validates the robustness of our business model to be able to scale margins as our capacity utilisation increases and revenues strengthen.

The big message that I wish to communicate is that we demonstrated the strength of our business model through the laboratory of last year's challenging business environment; as business conditions strengthen, we expect to do even better.

The heart of our competitiveness

I am pleased to report that despite the various challenges within the global and Indian economies, Greenlam reported the following numbers:

- Consolidated revenues grew 4.5% to ₹1076 crores in 2016-17; the domestic laminate segment grew 6.5%
- Consolidated EBIDTA stood at ₹141.3 crores against ₹129.5 crores in 2015-16, a growth of 9.1%
- Consolidated EBIDTA margin stood at 13.1% against 12.6% in 2015-16
- Consolidated PAT stood at ₹49.8 crores against 37.7 crore in 2015-16, a growth of 32.1%

These improvements validate that even in the most challenging of markets, the Companyreported reasonable improvements that were higher than the benchmarks reported by the overall sector and industry peers.

One of the attractive turnarounds during the course of the year was the aggregate performance of our subsidiary companies in the global markets. The aggregate performance of these subsidiaries had been negative in the earlier years on account of business-building investments that needed to have been made upfront; during the year under review, the subsidiaries (aggregated) reported a creditable turnaround, most of the prominent subsidiaries reporting a surplus. This transformation was the result of these larger subsidiaries engaging in focused strategies that included growing sales volumes and focusing on markets that provided the highest realisations. The objective of the Companygoing forward would be to turn the few remaining subsidiaries to a surplus, strengthening our returns from the international markets.

Capital allocation

At the heart of our company's out-performance in a challenging year was our prudent capital allocation. As I indicated earlier, we had consistently emphasized that we preferred to be fully invested across interior infrastructure products at the outset, which would translate into an upturn in the demand of our products as soon as economic realities improved. The result was that we started with low percentage asset utilisation; however, we were convinced that as we consumed our extensive operating leverage with no corresponding increase in capital investments, we would report improved profitability.

I am pleased to report that this is the very reality that transpired during the year under review. As we strengthened offtake that increased our capacity utilisation, we strengthened our consolidated ROCE: from 14.8% in 2015-16 to 19.1% in 2016-17; correspondingly, our consolidated ROE grew from 15.4% in the previous year to 17.1% in 2016-17.

At Greenlam, we believe that the heart of a successful company lies in its working capital efficiency. As business conditions became increasingly challenging, Greenlam continued to emphasise the importance of liquidity with the objective to generate enhanced surpluses through increased operating efficiencies.

One of the most courageous initiatives that we embarked upon was in selecting to counter demonetization through a resetting of our receivables cycle. Normally during a period of sectoral slowdown and cash crunch (as we saw during the demonetisation), it would have been reasonable to extend the debtors' cycle. During the year under review, we did just the reverse: we tightened our credit period and called our money in faster. The result is that our consolidated debtors' cycle declined from 65 days of turnover equivalent in 2015-16 to 49 days in 2016-17. I am pleased to report that this, among other decisions, kick-started a stronger virtuous cycle: enhanced liquidity, declining interest costs and a stronger Balance Sheet. Besides, we strengthened our inventory management of finished products; our consolidated inventory-to-turnover days declined from 88 days in 2105-16 to 77 days in 2016-17. Our stronger working capital management sent a serious signal of our trade discipline to the market while we reinvested in products, capacities and brand to help our dealer-partners sell quicker and higher.

We reinforced our Consolidated Balance Sheet through debt optimization (that reduced by 38% to ₹225 crore as on 31 March 2017) and through an increased plough-back into our reserves (by ₹46 crore in 2016-17 to a cumulative ₹279 crore), thereby creating a stronger financial pool. On the Consolidated P&L front, our interest cost optimized by 12% to ₹28 crore in 2016-17 with a strong profitability implication even as our net profit margins rose 90 bps to 4.6% during the year under report. This cycle – with greater benefits – is expected

OUR CORE STRENGTHS

- STRONG AND PROTECTED BRAND PRESENCE IN INDIA AND OVER 100 COUNTRIES
- PAN-INDIA DISTRIBUTION NETWORK WITH 11 OWNED LARGE REGIONAL DISTRIBUTION CENTRES, 32 BRANCH OFFICES, SALES STAFF STRENGTH OF MORE THAN 500 AND MORE THAN 14,000 DISTRIBUTORS, DEALERS AND RETAILERS
- STRATEGICALLY-LOCATED PLANTS IN RAJASTHAN AND HIMACHAL PRADESH ENSURING ACCESS TO RESOURCES AND MARKETS OFFERING FISCAL AND EXPANSION BENEFITS
- YOUNG, MOTIVATED AND PROFESSIONALIZED TEAMS
- STRONG MARKETING AND BRAND INITIATIVES UNDERTAKEN THROUGH VARIOUS SOCIAL MEDIA PLATFORMS ENSURING STRONG CUSTOMER ENGAGEMENT

AT GREENLAM INDUSTRIES, WE HAVE ALWAYS BELIEVED THAT SUSTAINABLE SUCCESS IS DERIVED FROM THE ABILITY TO LOOK, PLAN AND IMPLEMENT BEYOND THE IMMEDIATE.

to play out further over the years.

The fact that we could liquidate our debt faster than we could add to our reserves indicates that we are progressing to creating a stronger and smaller Balance Sheet against a larger revenue base – an ideal value-accretive business.

At Greenlam, we consistently invested in our marketing and branding platforms; we now enjoy a 360-degree market approach through the print, digital, events and activations, exhibitions, PR and brand stores. With almost 26 engaging and interactive websites that help our customers/influencers seamlessly make a purchase decision, we opened a low-cost and high-visibility omni-channel sales architecture (including Facebook and Twitter)

I am pleased to report that we could leverage gains made in the Profit & Loss account to strengthen our Balance Sheet. During the year under review, we reinvested the resources we liberated from the business to invest in our laminates capacity expansion at Nalagarh. Our 2 mn sheet lines at Nalagarh (which will be brought on-stream in the first quarter of 2017-18), was set up at a capex of about ₹28 crore, which is inexpensive by about 30% compared with a similar greenfield facility. We believe that this expansion will capitalise on pent-up demand and a pick-up in real estate offtake following the introduction of the landmark the Real Estate (Regulation and Development) Act, 2016 (RERA). Besides, our complement of 13 international offices and six overseas subsidiaries with 100+ overseas employees will help catalyse our global offtake.

Our engineered wood floorings and engineered doors businesses reported steady growth in 2016-17. These product categories are maturing and could enhance profitability going forward. Besides, thanks to our positioning as India's only and largest manufacturer of engineered wooden flooring and engineered doors and frames, strong import replacement opportunity (for engineered wooden flooring), growing inroads into institutional sales (engineered door sets), rising brand credibility and high-quality technology invested in product manufacture could enable us to generate increased revenues .

AFTER CONSIDERABLE OPPOSITION, THE GOODS AND SERVICES TAX (GST) ACT WAS LAUNCHED IN JULY 2017. THIS HAS MARKED THE BIGGEST TAX REFORM IN INDIAN HISTORY, POTENTIALLY BRINGING ALL INDIRECT TAXES UNDER A UNIFORM TAX STRUCTURE.

Building for the future

During FY2016-17, the Companyaddressed unforeseen challenges like the demonetization-induced cash crunch and stricter enforcement of the Real Estate (Regulation and Development) Act, 2016 that staggered apartments launches leading to a slower offtake of interior infrastructure products.

We believe that the biggest game-changer is something that will transpire during the course of the current financial year. After considerable opposition, the Goods and Services Tax (GST) Act was launched in July 2017. This has marked the biggest tax reform in Indian history, potentially bringing all indirect taxes under a uniform tax structure. This, coupled with the government's decision to demonetize high value currency notes, are seen as bold reforms expected to reset the economy towards a higher growth trajectory with several structural long-term benefits. The implementation of the Goods and Services Tax is expected to benefit our Company at two levels: a seamless flow of products from one state to another; a narrowing of the differential between organized and unorganized products will make our brands more competitive, providing them with a platform for sustainable and profitable growth across the foreseeable future.

Our prospects appear to be strong and protected, driven by the government's policy initiatives. For one, RERA will lead to increasing consolidation and strengthening of the real estate sector. Swachh Bharat and Smart Cities programs will prove positive for us. The Pradhan Mantri Avas Yojana (PMAY) is an ambitious initiative by the government to build over 2 crore affordable houses by 2022, largely addressing the needs of low income groups and economically weaker sections. We believe that over time, this increased housing stock will translate into a growing offtake of our products. We also believe that the Smart City programme will open up large opportunities to market our products, a reality for which we are attractively prepared through brand visibility, distribution spread and capacity growth.

Proactive and prepared

A special case in point in terms of our readiness is our ability to capture demand without any significant capex. Our 2 mn sheets of additional laminates capacity represents almost 17% of our pre-expansion capacity of 12.02 mn sheets. Besides, an operating leverage of 33% of pre-expansion capacity within the existing infrastructure gives us a leverage of 50% incremental capacity that can be made use of.

On the international front, the global laminates market is represented by a size of US$7 billion, which is growing by 2-3% every year. With Greenlam's presence in 100+ countries and an exports growth at a substantial 15% CAGR over the past five years, there exists a good opportunity in consolidating and improving depth in our existing markets, both in terms of volume and value, going forward.

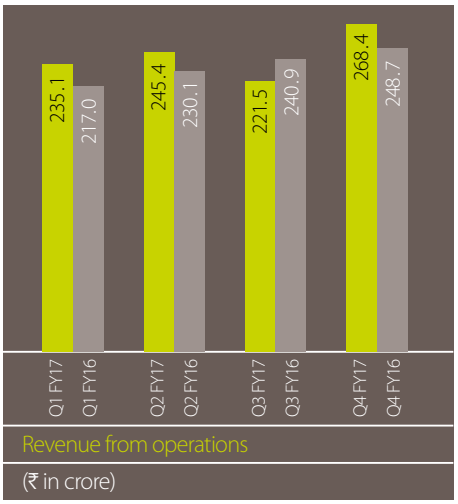
I hope you, our shareholder, continue to stay invested in our story, which is really the story of a transforming consumption-driven industry and our deeply-entrenched positioning within.

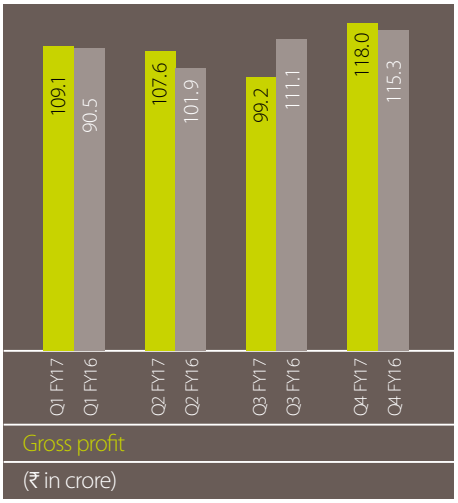
With my best wishes,

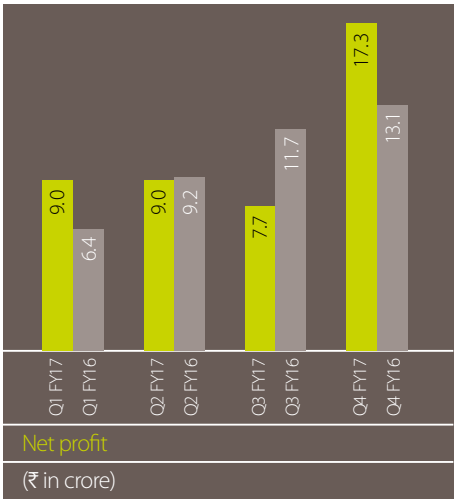
Saurabh Mittal
Managing Director & CEO

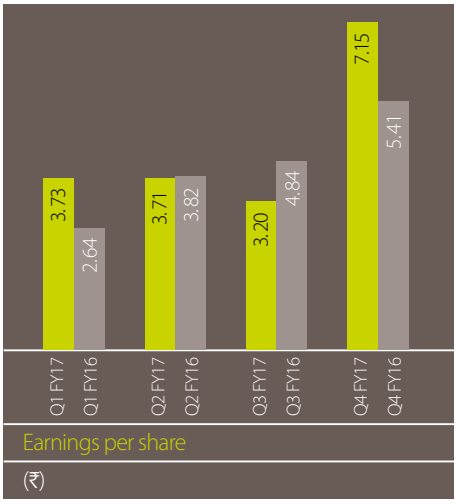
Our financial report card

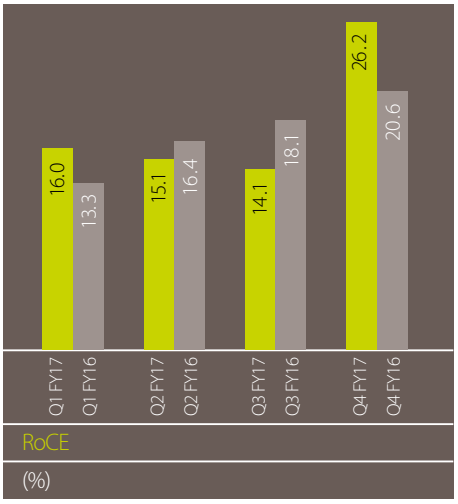
The government's initiative to demonetize specified bank notes created a virtual standstill in trade and commerce. Despite an impact in the third quarter of 2016-17 (peak of the demonetisation), our Q4 results demonstrated a timely restoration of our business health.



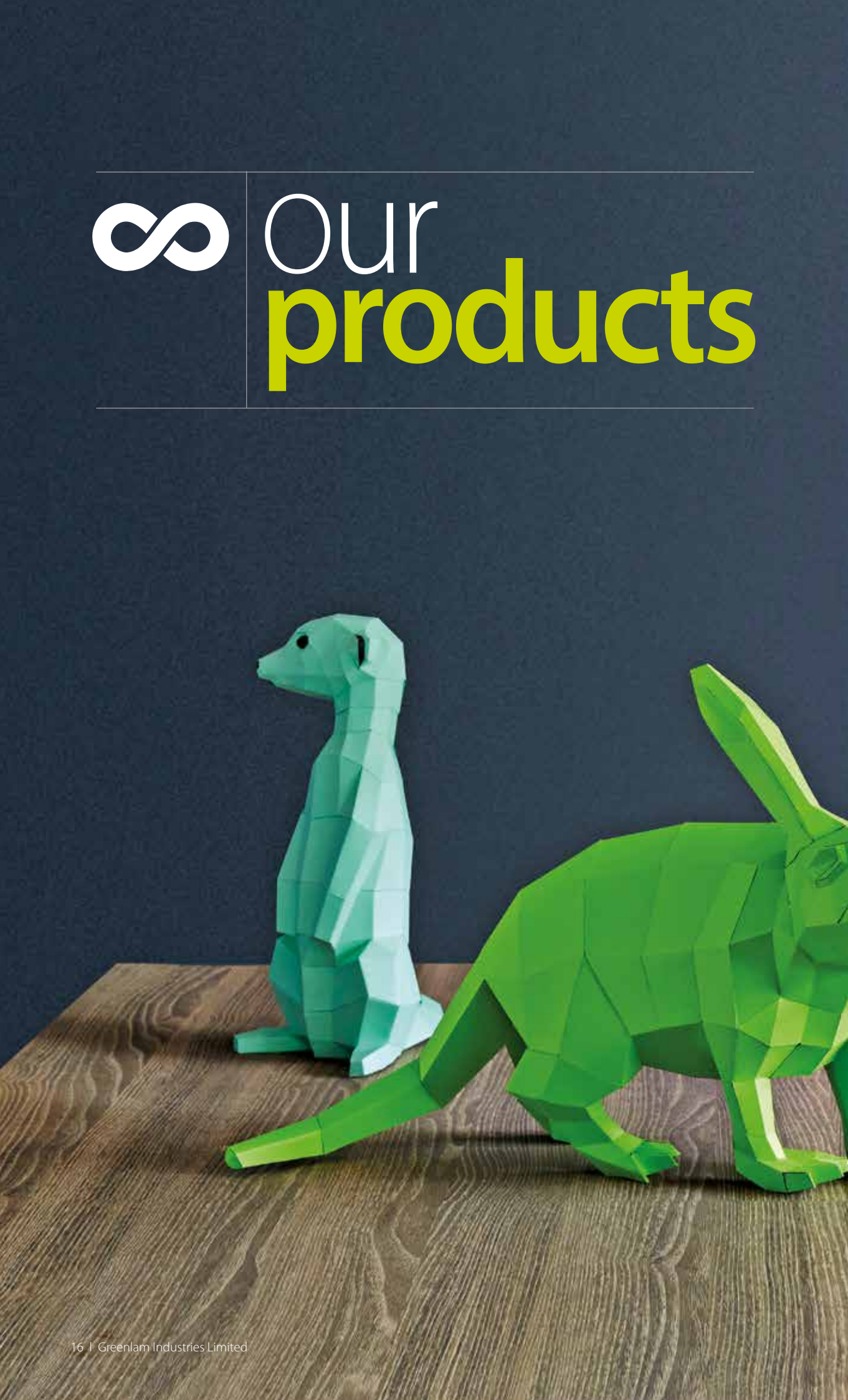








Our products






832.15
Revenue in 2016-17
(₹ in crore)



Greenlam
LAMINATES

Greenlam | Laminates

Among world's top three laminate producers.

Greenlam
LAMINATES

Greenlam | Speciality Laminates

A wide range of laminate sheets addressing modern surfacing needs.

Greenlam, a leading brand in decorative and designer laminates, brings a variety of the best laminates to the customer's space. Our laminates come in a variety of forms to suit consumer needs. From Digital to AFX to HD Gloss, consumers can choose from a range of options.



HD Gloss Laminate



AFX Laminate (anti finger-print laminate)



Digital Laminate

Greenlam
LAMINATES

Greenlam | Compact Laminates

A wide range of high pressure interior and exterior grade compact laminate solutions, perfect for interiors and exteriors.

Engineered with indigenous technology, our compact laminate solution comes with anti-bacterial properties. Compact laminates are used for exterior and interior applications, ideal for restroom cubicles, lockers, furniture, panels, worktops, lab furniture and façades etc.



Exterior Grade Compact Laminate



Rest-room Cubicles and Lockers





Sandwich Compact Laminate

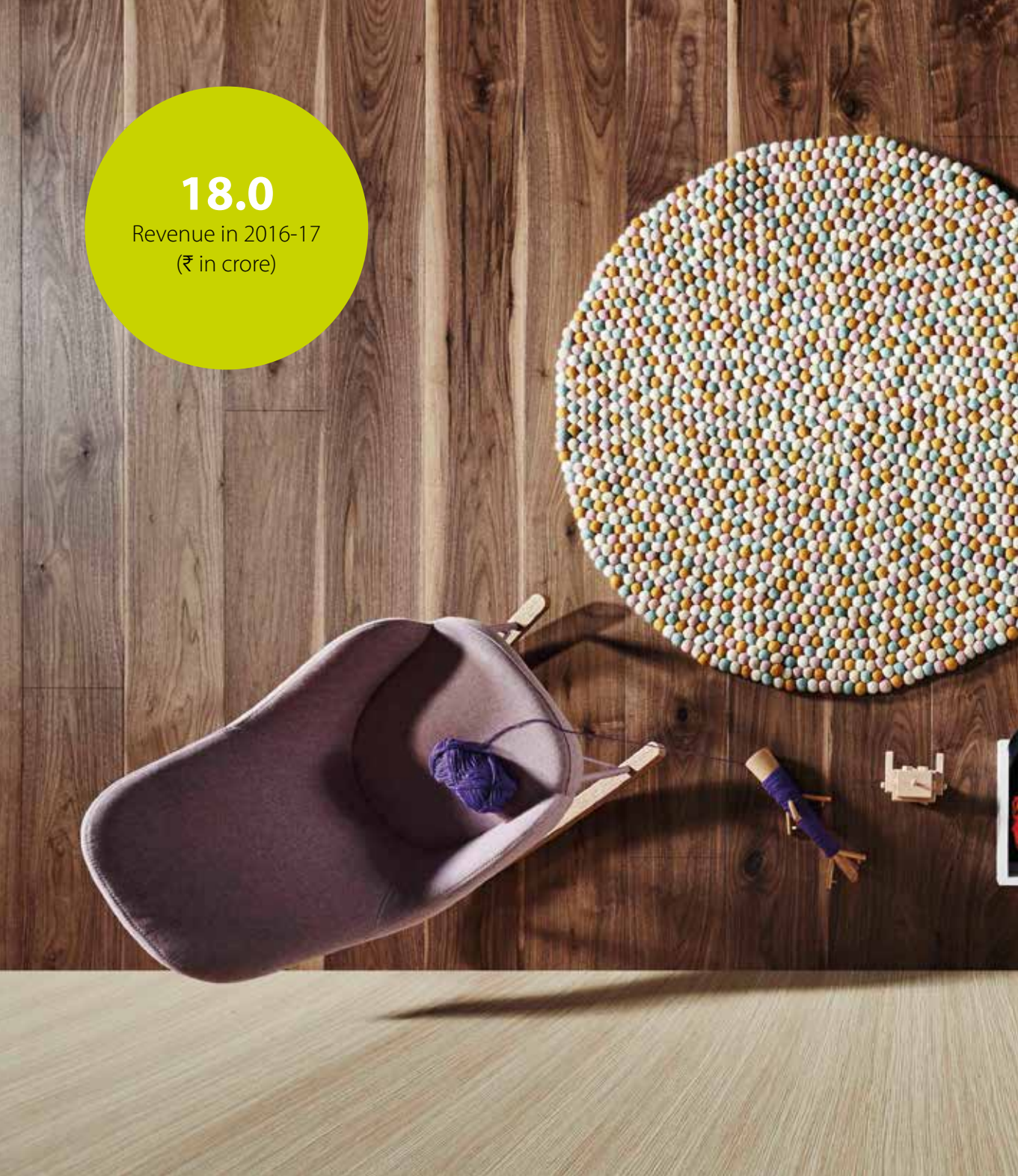

107.96
Revenue in 2016-17
(₹ in crore)



decowood™
PREMIUM VENEERS
NATURAL | TEAK | ENGINEERED

Decowood | Premium veneers

India's number one veneer brand.

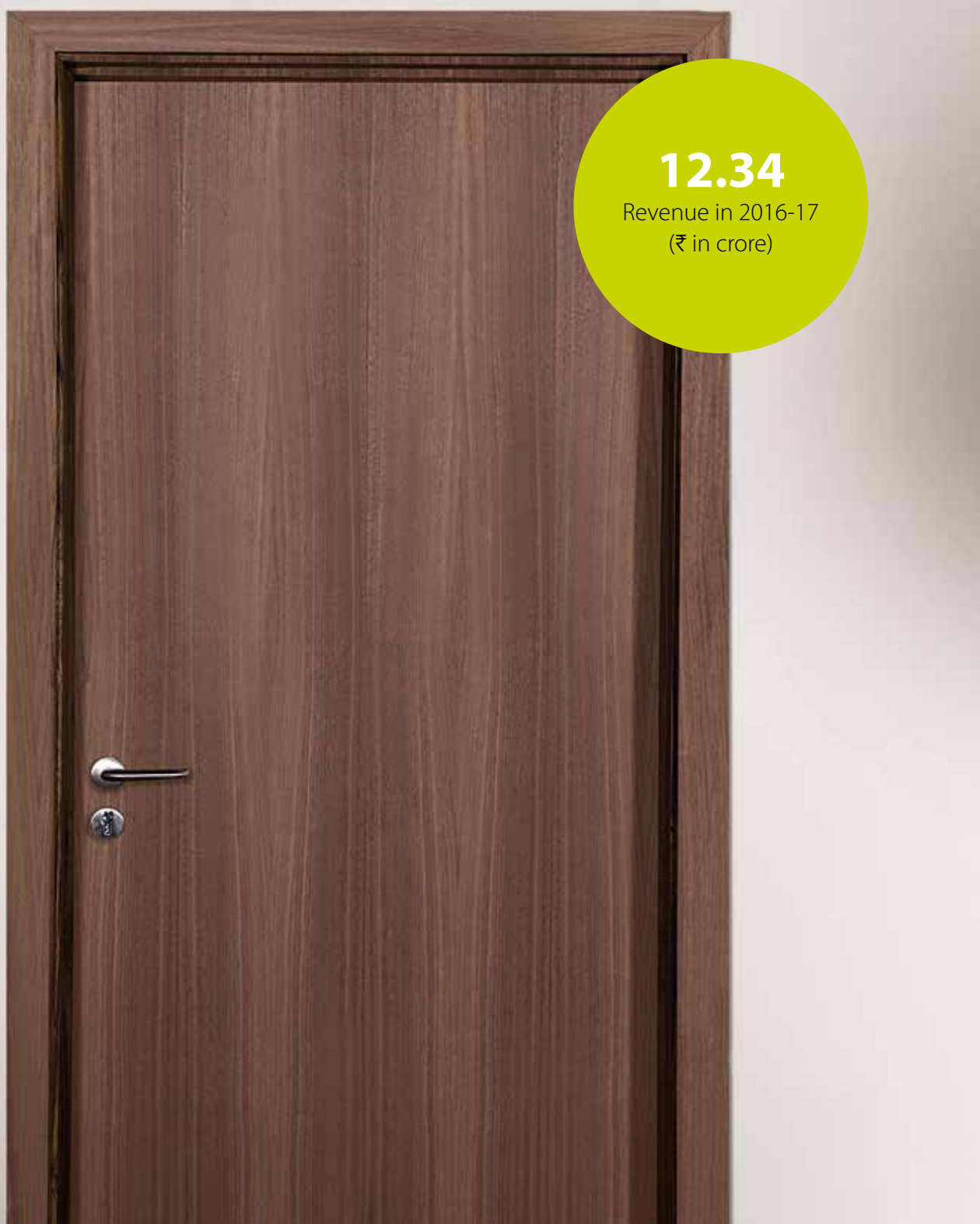

18.0
Revenue in 2016-17
(₹ in crore)



Mikasa™
REAL WOOD FLOORS

Mikasa | Real wood floors

India's only manufacturer of engineered wood flooring.



12.34
Revenue in 2016-17
(₹ in crore)



Mikasa™
DOORS & FRAMES

Mikasa | Doors and frames

India's first organized manufacturer of engineered door sets.

BEYOND CONVENTIONAL THINKING!



AT GREENLAM INDUSTRIES, WE HAVE BEEN ABLE TO DISRUPT A CONVENTIONAL INDUSTRY THROUGH UNCONVENTIONAL WISDOM.

Take the instance of our laminates range. While most companies have limited SKUs, our stock range numbers no less than 2,500 SKUs across over 50 textures. This sheer product breadth and depth has not only made us India's largest and most trusted laminates brand but has given us a robust opportunity platform to engage with our customers better, empowering us with the ability to influence sales. Besides, some of our laminates varieties are exclusive to us, such as HD gloss laminates, VRB, Reflection and Anti-finger printing (AFX).

Take the instance of our decorative veneer and allied products range. While most other players are taking tentative steps in the direction of this business, we have already moved ahead with our Decowood brand emerging as the best-selling premium veneers in the industry. Decowood houses over 200 exotic and imported natural veneer wood species across the natural, teak and engineered segments. With a view to enable our customers to experience these products better and see for themselves the transformational impact these have on their spaces, we have established an exclusive experience center near our plant in Behror across 54,000 sq. ft.

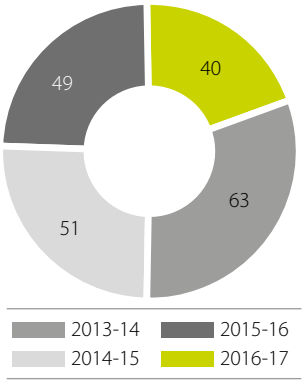
Take the instance of our trade initiatives. When most constituents of the market announced multiple inducements to ensure sales during the peak of the demonetization phase, we re-centered the trade to a fixed credit period, instead. This bold measure (as bold as the demonetization initiative) was implemented to ensure trade discipline on the one hand and prepare us for GST regulations on the other. With our additional laminates capacities coming on stream, we believe we are well-prepared for higher offtake coupled with quicker receivables.

"Swim upstream. Go the other way. Ignore conventional wisdom!"

Sam Walton

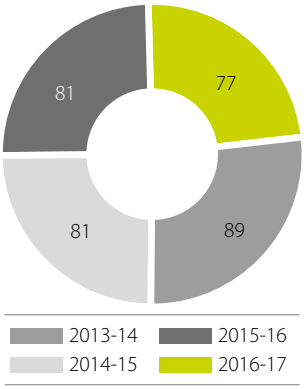
Receivables cycle

(days)



Inventory cycle

(days)



BEYOND BOUNDARIES!



AT GREENLAM INDUSTRIES, HAVING ESTABLISHED A STRONG PAN-INDIA PRESENCE, WE VENTURED INTO THE OVERSEAS MARKETS IN 1993. WITHIN A SPAN OF 25 YEARS, OUR EXPORT REVENUES GREW AT A 15% CAGR (FOR THE LAST FIVE YEARS ENDING 2016-17) WITH A Y-O-Y GROWTH OF 5% TO ₹479 CRORE IN 2016-17 (CONSOLIDATED). EXPORT REVENUES CONTRIBUTED A HEALTHY 44% TO OUR CONSOLIDATED REVENUES DURING THE YEAR UNDER REPORT.

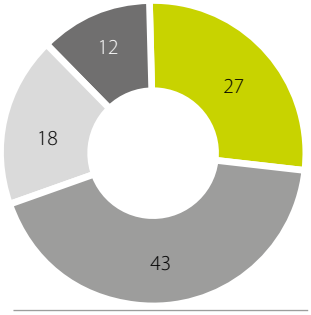
"Ambition spurs a man on!"

Geoffrey Boycott

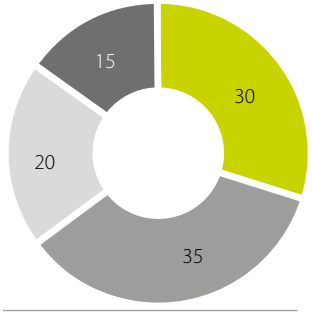
Our global ambitions are best manifest in the fact that we are among the world's top 3 laminates producers, Asia's largest laminates brand and India's largest exporter of laminates and compact laminates. With a 100+ countries exports presence, Greenlam laminates are available in almost all major continents including North America, South America, Africa, Europe, Asia and Australia. Our international business is executed through six overseas subsidiaries, 13 international offices and over 100 overseas employees.

Going forward, the Company is primed for enhancing laminates exports, considering capacity leverage on the one hand and the fact that 2 mn sheets per annum capacity will come on stream at Nalagarh during the first quarter of 2016-17. Besides, the international laminates industry, valued at about US$7 billion, is well-positioned to clock better growth, rising from the existing 2-3%. This acceleration is estimated to be primarily a result of a growing demand for ready-to-assemble (RTA) furniture. Moreover, conducive macroeconomic factors like cost-performance benefits, increased market penetration and brightening prospects in the e-commerce space bode well for the sector.

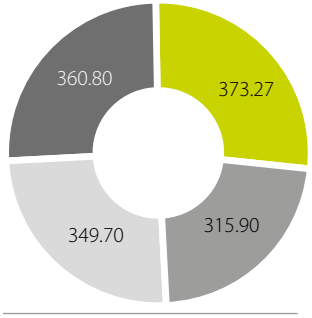
Exports breakup, 2015-16
(% of export revenues)



Exports breakup, 2016-17
(% of export revenues)



Exports revenues
(₹ crore)



BEYOND THE CORE!



AT GREENLAM INDUSTRIES, WE STRATEGICALLY EXPANDED THE CORE BY VENTURING INTO THE ALLIED BUSINESSES OF MANUFACTURING AND BRANDING ENGINEERED WOOD FLOORING AND ENGINEERED DOOR SETS. WHILE OUR BALANCE SHEET FUNDED THESE EXPANSIONS, THESE BUSINESSES ARE SHOWING STEADINESS WITH ANTICIPATED PROFITABILITY TURNAROUND AND CONTRIBUTION OVER THE NEXT 1-2 YEARS.

"A satisfied customer is the best business strategy of all!"

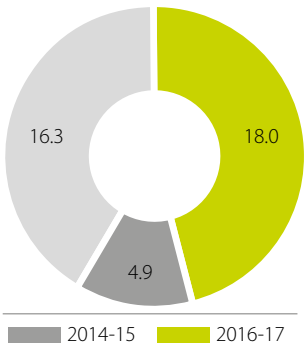
Michael LeBoeuf

Our core branding capability is evident in 'Mikasa' emerging as the first and only Indian brand of engineered wood floorings. With the highest industry range of as many as 111 SKUs, Mikasa wood flooring is manufactured with the latest European technology with raw materials (including hardwood) imported from the best global sources. Convenient to install and durable in use, our quality confidence in these products stems from a 30-year warranty support. On the demand front, Mikasa is strongly placed, considering the size of the market pegged at 2 mn sq. m annually and growing at 20-25% every year. With no other domestic manufacturer and a majority of the demand met from imports, we will play a strong role in import substitution, especially with our B2B outreach, increasing retail footprint through exclusive retail display centers and enhancing reach within the designer/architect communities.

Our Mikasa range of engineered doors and frames makes us the first organized Company to launch engineered, factory-finished door solutions in the country. With a capacity of 120,000 door units per annum, this range is integrated with the existing decorative veneer and engineered wood flooring categories, thereby generating greater synergies and complementing our broader product range. Our door range also conforms with the fire rating of FD30 and FD60, which opens up a vast range of applications in the hospitality, healthcare, retail and high-end residential markets. Besides, we offer options of laminated, veneered or painted doors and frames. It must be mentioned that the door (including flush door) market is estimated at 24 million units per annum; the engineered finished door category is witnessing a substantial 20-25% growth every year. With no organized player in the industry providing comprehensive door solutions coupled with the advantage of our extensive B2B and influencer outreach programs and tie-ups with real estate developers, prospects are brightening for this business, going forward.

Revenues, engineered wood flooring

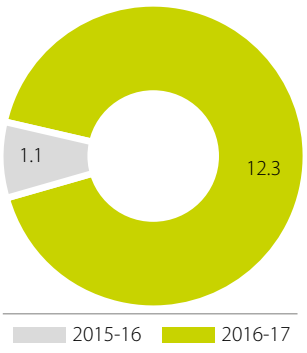
(₹ crore)



Commenced production in September 2014

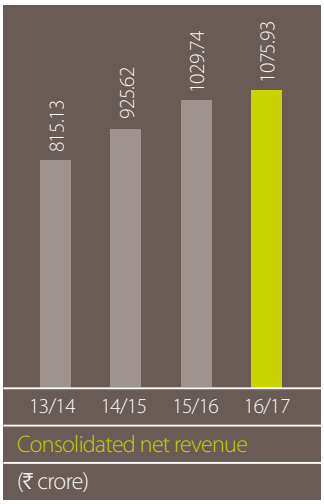
Revenues, engineered door sets

(₹ crore)



Commenced production in September 2015

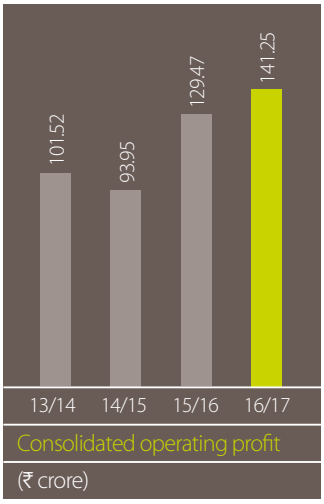
Our financial performance



+4.49%

Consolidated net revenue, 2016-17

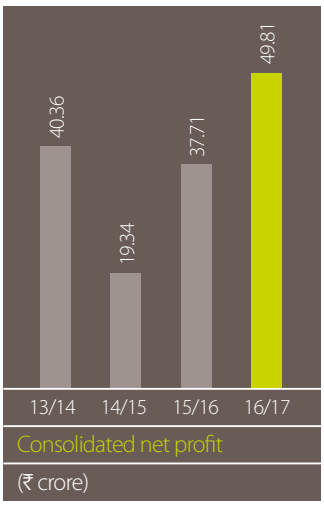
Our consolidated sales (including subsidiaries) increased 4.49% to ₹1,075.93 crore in 2016-17. This was achieved through larger volume sales and a growing contribution from our international business.



+9.10%

Consolidated operating profit, 2016-17

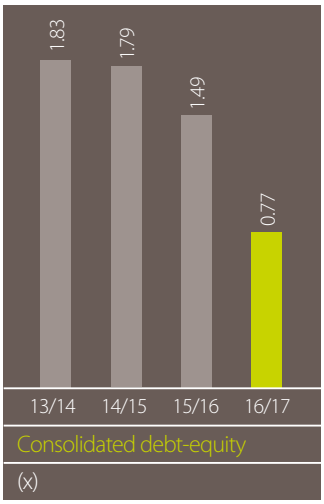
Greenlam reported a 9.10% increase in consolidated operating profit during the year under report, a healthy growth despite a sluggish consumption environment, regulatory uncertainty, especially in the real estate industry, and demonetization that led to a cash crunch and impacted most segments of the market. This performance was achieved due to a sales mix transformation in favour of premium products, unflinching customer focus, solution-selling, strong cost-cum-process controls and widening geographic reach in India and overseas.



+32.09%

Consolidated net profit (₹ crore)

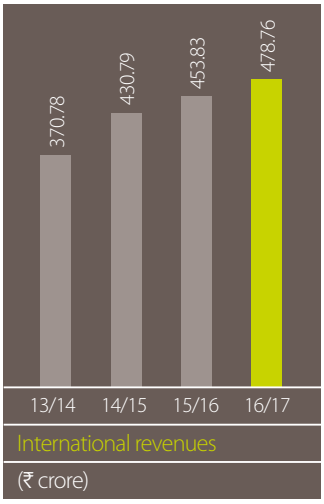
Greenlam's consolidated net profit improved 32.09% to ₹49.81 crore in 2016-17. Our net profit margin improved by 90 bps to 4.6% in 2016-17 compared to 3.7% in the previous financial year. Growing brand recall paired with deeper market penetration in India and overseas will help us sustain our profitability momentum, going forward.



0.77x

Consolidated debt-equity (x)

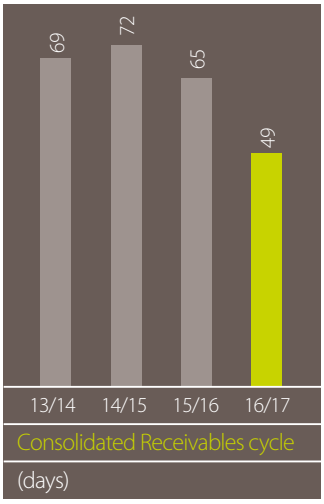
Greenlam's consolidated debt-equity ratio improved sharply during the year under report to 0.77x on account of a debt reduction of ₹140.57 crore during 2016-17, facilitated by stronger free cash flow generation used for debt retirement and lower working capital requirements.



+5.49%

International revenues (₹ crore)

With six overseas subsidiaries and sales to 100+ countries, Greenlam's international revenues have grown at an 8.90% CAGR over the past three years to ₹478.76 crore in 2016-17. The Company made inroads into three new countries during the year under report even as it established a new branch office in Dubai with a view to strengthen its presence in the large Middle East market.



+24.62%

Consolidated receivables cycle (days)

At Greenlam, our consolidated receivables cycle reduced significantly to 49 days in 2016-17 from 65 days in 2015-16 and 72 days in 2014-15, thanks to stronger trade credit discipline and enhanced attention on secondaries of trade during the financial year under report. With increasing trade alignment, we intend to generate a faster receivables inflow, moderating our working capital requirement from external sources.

Directors' Report

FOR THE FINANCIAL YEAR 2016-17

Dear Shareholders,

Your Directors have the pleasure in presenting the 4th 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, 2017.

Financial Highlights

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Profit before Finance Cost, Depreciation & Amortisation Expenses and Tax Expenses	12,619.52	12,426.95	14,147.01	12,961.21
Less: a) Finance Costs	2,530.05	2,776.69	2,840.25	3,224.81
b) Depreciation & Amortisation Expenses	3,360.78	3,151.25	3,685.37	3,497.02
Profit before Tax	**6,728.69**	**6,499.01**	**7,621.39**	**6,239.38**
Less: Provision for taxation	2,433.77	2,465.23	2,640.35	2,468.56
Less: Minority Interest	-	-	1.18	0.56
Profit for the year	**4,294.92**	**4,033.78**	**4,979.86**	**3,770.26**
Add: Balance brought forward from previous years	9,408.82	6,065.54	7,784.19	5,654.01
Less: Foreign Currency Translation adjustment	-	-	(15.59)	949.58
Amount available for appropriation	**13,703.74**	**10,099.32**	**12,779.64**	**8,474.69**
Appropriations:				
Proposed dividend on Equity Shares	362.05	241.36	362.05	241.36
Tax on distribution of dividend	73.70	49.14	73.70	49.14
Transferred to General Reserve	500.00	400.00	500.00	400.00
Balance carried to Balance Sheet	**12,767.99**	**9,408.82**	**11,843.89**	**7,784.19**

Operations and State of Affairs of the Company

During the financial year 2016-17, your Company posted a moderate performance with growth of 3.75% in total revenue to ₹97,329.17 lacs as against ₹93,812.22 lacs in the previous year and a growth of 6.47% in profit to ₹4,294.92 lacs from ₹4,033.78 lacs in the previous year. This performance need to be viewed against the backdrop of the challenging business environment in which this was achieved, namely, weak real estate sales and subdued consumer sentiments and demonetization of specified bank notes.

It would be imperative to apprise our performance against the contextual landscape. During the first half of the financial year 2016-17, we reported *y-o-y* growth in revenue and net profits of 7.5% and 15.1% respectively, which is a fair index of how prudently the Company utilised its resources. This provided us with an optimistic picture of how we would scale our business in the second half of the year. In the second half of the year, post the announcement of the demonetization, the sector witnessed a temporary setback that led by liquidity squeeze which impacted the demand and the buying of the channel partners. We embraced the challenging times with increasing prudence in marketing spends, managing production programs and a strict watch on the inventory and the debtors' management. The Company closed the year under review with a positive note with the last quarter of the year showing significant improvement over the demonetization quarter which mirrors our efforts.

During the financial year 2016-17, your Company recorded a growth of 3.57% in export turnover from ₹32,624.17 lacs to ₹33,790.29 lacs and export incentive increased from ₹3,454.81 lacs to ₹3,537.11 lacs.

As per the consolidated financial statements, total revenue and the profit after tax for the financial year 2016-17 stood at ₹1,07,956.27 lacs and ₹4,979.86 lacs respectively.

During the financial year 2016-17, 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, Engineered Wood flooring and Engineered Door Sets.

The overall performance of the Company during financial year 2016-17, amid a challenging economic scenario, vindicates the effectiveness of the initiatives undertaken by the Greenlam Management so as to better exploit business opportunities.

Dividend

Your Directors recommend a final dividend of ₹1.50 per equity share (previous year ₹1.00 per equity share) on the Company's 2,41,36,374 equity shares of ₹5.00 each for 2016-17. The final dividend on the equity shares, if declared as above, would entail an outflow of ₹362.05 lacs towards dividend and ₹73.70 lacs towards dividend tax, resulting in a total outflow of ₹435.75 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.

The Goods and Services Tax Act ("GST") appears to be primed for launch from July, 2017, the biggest tax reform in Indian history, potentially bringing all indirect taxes under a uniform tax structure that will create a level playing field boosting the competitiveness and build a strong case in favour of organized and tax-compliant players like us. This, coupled with the government's decision to demonetize high value currency notes are seen as bold reforms expected to reset the economy towards a higher growth trajectory with several structural long-term benefits.

During the financial year 2016-17, the Company has decided to further expand the capacity for manufacturing Laminates at the unit of the Company situated at Nalagarh, Himachal Pradesh to manufacture an additional 2 million laminate sheets per annum. With this addition to the existing manufacturing capacity, the total installed capacity for laminate will become 14.02 million laminate sheets per annum. The revised estimated capital cost for this brownfield expansion would be approximately ₹28.00 crores. With respect to the said expansion, the delivery of key plant and equipment, required for augmenting laminate manufacturing capacity, have completed and civil works for its foundation are in completion stage. The delivery of ancillary machinery and other required support equipment are under progress. The key plant and equipment are being erected and in the final stage of completion. The progress is as per the schedule.

Further your Company has established a branch office in Dubai, UAE under the name 'Greenlam Industries Limited (DMCC Branch)' with a view to strengthen its presence in the Large Middle East markets.

In view of the above, your Directors are confident of achieving significantly better results in the coming year.

Credit Rating

Credit Analysis and Research Limited (CARE) has upgraded the credit rating for the long term bank facilities of ₹246.20 crores to "CARE A+; stable" (Revised from "CARE A") and reaffirmed the credit rating "CARE A1" in respect of its short term bank facilities of ₹260.00 crores.

Subsidiaries and its Performance

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 America 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.

On April 05, 2016, the Company received the approval from Registrar of Companies on its application dated February 26, 2016 for striking off the name of its wholly owned Indian Subsidiary "Greenlam VT Industries Private Limited" from the Register of Registrar of Companies, pursuant to the provisions of Section 560 of the Companies Act, 1956. The said subsidiary has been struck off and dissolved effective from that date.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, Statement containing salient features of standalone financial statements of subsidiaries in Form AOC-I is attached as "Annexure-I".

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared based on Standalone Financial Statements. During the financial year 2016-17, the net contribution of all the subsidiaries to the Company's consolidated turnover, profit before tax (PBT) and profit after tax (PAT) is 9.84%, 11.72% and 13.75%, respectively. The standalone turnover, PBT and PAT of each subsidiary are given in Form AOC-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. 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. 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.

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

Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard (AS)-21 on Consolidated Financial Statements is provided in the Annual Report.

Transfer to General Reserve

The Directors in their meeting held on May 25, 2017 proposed to transfer ₹500.00 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 [DIN: 02021303] and Ms. Sonali Bhagwati Dalal [DIN: 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Parul Mittal [DIN: 00348783], Director-Design & Marketing of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the financial year 2016-17, there was no change in the composition of Board of Directors of the Company. 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

During the financial year 2016-17, there was no change in the Key Managerial Personnel of the Company.

Meetings of the Board

Four (4) Board Meetings were held during the financial year ended March 31, 2017. 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on February 07, 2017 have evaluated the Performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board.

The criteria for evaluation 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 and judgements
   - Attendance and active participation in meetings of Board and Committees of the Board and Members of the Company
   - Assistance in implementing corporate governance practices
   - Updation of skills and knowledge
   - Information regarding external environment
   - Raising of concerns, if any, to the Board
   - Study of agenda in depth prior to Meeting
   - Contribution towards the formulation and implementation of strategy for achieving the goals of the Company

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

c. For Committees of the Board:
   - Adequate and appropriate written terms of reference

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

d. For Board of Directors as a whole:

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution 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 maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged
- Relationship between Board and its Committees and between committees themselves
- Communication with employees and others
- Updation with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters pertaining to financial reporting and internal controls
- Contribution of the Board for ensuring that the Company adheres to the statutory and regulatory compliances as applicable to the Company

The Directors expressed their satisfaction with the evaluation process.

Audit Committee

As on March 31, 2017, the Audit Committee of the Company comprises of three Independent Directors with Mr. Vijay Kumar Chopra as Chairman and Ms. Urvashi Saxena and Ms. Sonali Bhagwati Dalal as members and 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 and the details of the Committee meetings 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, 2017, 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 and the details of the Committee meetings are provided in the Corporate Governance Report.

Stakeholders' Relationship Committee

As on March 31, 2017, 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. The Committee, *inter alia,* reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

Vigil Mechanism

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns has been framed. The policy is revised from time to time to realign it with applicable regulations or organisations suitability. The latest policy is available 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

appointed an Independent Agency to identify the various risks pertaining 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 are being addressed systematically through mitigating actions on a continuing basis. In the meetings of Audit Committee held during the financial year 2016-17, the Committee members have reviewed the various risk elements and have expressed their satisfaction over the risk mitigation measures 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 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 composition of the CSR Committee is provided in the Annual Report on CSR Activities. The Average Net Profit of the Company for the last three financial years is ₹33,73,60,569.67 and accordingly the prescribed CSR expenditure during the year under review shall not be less than ₹67,47,211.39 (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 Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with 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 2016-17, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under: https://www.greenlamindustries.com/pdf-file/Related_Party_Transaction_Policy.pdf

Directors' Responsibility Statement

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

a) In preparation of the annual accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such Accounting Policies as listed in 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, 2017 and of the profit of the Company for that period;

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

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

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

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

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, 2017 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 2017-18 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 Statements of the Company forms part of this Annual Report.

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 and eligibility letter 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 2017-18. The Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 form part of this Annual report.

(b) Secretarial Auditors:

The Board of Directors of the Company at their meeting held on October 18, 2016 appointed Mr. 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 Companyfor the financial year 2016-17. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2017, is annexed herewith as "Annexure-IV".

(c) Cost Auditors:

Your Company was not required to appoint Cost Auditor for the financial year ended March 31, 2017.

(d) Internal Auditor:

Mr. Rakesh Kumar Budhiraja, President-Internal Audit 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 or by the Secretarial Auditor in their Statutory Audit Report and Secretarial Audit Report, respectively 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with an Auditors' Certificate on compliance with the conditions of Corporate Governance is annexed to this report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the financial year 2016-17, pursuant to the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification as specified in Part B of Schedule II thereof is attached with the Annual Report. The Managing Director & 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct for Directors and Senior Management Personnel

The Code of Conduct for Directors and Senior Management Personnel is posted on the Company's website. The Managing Director & CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned affirmed compliance with the code of conduct with reference to the financial year ended on March 31, 2017. 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 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 25, 2017

Annexures to the Directors' Report

Annexure-I

Form AOC-I

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

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

Sr. No.	Part "A": Subsidiaries	₹	
1.	Name of the subsidiary	Greenlam Asia Pacific Pte. Limited	Greenlam America, Inc.
2.	Date of Acquisition*	February 27, 2015	March 16, 2015
3.	Reporting period for the subsidiary	March 31, 2017	March 31, 2017
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	US$ (₹65.02250)	US$ (₹65.02250)
5.	Share Capital	180,688,749.46	104,036,000.00
6.	Reserves & Surplus	(22,191,659.07)	26,131,177.28
7.	Total Assets	691,183,322.98	245,499,211.09
8.	Total Liabilities	532,686,232.58	115,332,033.81
9.	Investments	20,856,942.21	NIL
10.	Turnover	1,732,203,106.28	922,908,297.71
11.	Profit before taxation	27,273,297.49	58,074,975.92
12.	Provision for taxation	(3,449,898.78)	(15,149,332.18)
13.	Profit after taxation	23,823,398.71	42,925,643.74
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	100%	100%

Sr. No.	Part "A": Subsidiaries	₹	
1.	Name of the subsidiary	Greenlam Europe (UK) Limited	Greenlam Asia Pacific (Thailand) Co. Limited
2.	Date of Acquisition*	February 27, 2015	February 27, 2015
3.	Reporting period for the subsidiary	March 31, 2017	March 31, 2017
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	GBP (₹80.82950)	THB (₹1.88970)
5.	Share Capital	15,218,578.26	7,558,800.00
6.	Reserves & Surplus	(140,662,648.25)	17,023,576.00
7.	Total Assets	73,115,698.33	172,917,601.96
8.	Total Liabilities	198,559,768.32	148,335,225.95
9.	Investments	NIL	944,850.00
10.	Turnover	293,407,690.16	730,394,090.81
11.	Profit before taxation	(3,501,533.94)	6,564,089.98
12.	Provision for taxation	NIL	(1,331,156.16)
13.	Profit after taxation	(3,501,533.94)	5,232,933.82
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	100%	97.50%

Sr. No.	Part "A": Subsidiaries	₹	
1.	Name of the subsidiary	Greenlam Holding Co., Ltd.	PT. Greenlam Asia Pacific
2.	Date of Acquisition*	February 27, 2015	February 27, 2015
3.	Reporting period for the subsidiary	March 31, 2017	March 31, 2017
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year	THB (₹1.88970)	IDR (₹0.00488)
5.	Share Capital	1,889,700.00	11,767,924.80
6.	Reserves & Surplus	(1,006,825.41)	2,972,071.62
7.	Total Assets	3,804,241.45	15,451,976.61
8.	Total Liabilities	2,921,366.86	711,980.20
9.	Investments	3,779,400.00	NIL
10.	Turnover	NIL	12,585,772.86
11.	Profit before taxation	(42,418.00)	(1,459,572.01)
12.	Provision for taxation	NIL	(145,243.76)
13.	Profit after taxation	(42,418.00)	(1,604,815.77)
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	99%	99%

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

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 :-

On April 05, 2016, the Company received the approval from Registrar of Companies on its application dated February 26, 2016 for striking off the name of its wholly owned Indian Subsidiary "Greenlam VT Industries Private Limited" from the Register of Registrar of Companies, pursuant to the provisions of Section 560 of the Companies Act, 1956. The said subsidiary has been struck off and dissolved 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

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: ₹33,73,60,569.67

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

The Company was required to spend ₹67,47,211.39 towards CSR during the financial year under review.

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year under review: ₹69,62,624.00
(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year 2016-17 is detailed below:

Sr. 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 (mainly girl child) and livelihood enhancement projects.	Ghaziabad, Uttar Pradesh	₹22,77,080.00	₹24,64,177.00	₹43,59,110.00	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.	District Pali & Nagaur in Rajasthan	₹33,98,402.00	₹33,98,402.00	₹67,98,402.00	Mamta-Health Institute for Mother & Child
3.	Support for strengthening and empowering communities, mainly focusing on improving health and nutrition of mother, new born child and adolescents and promoting entrepreneur development program among identified young people.	Promoting health care including preventive health care and sanitation	Behror, Rajasthan	₹4,99,565.00	₹4,99,565.00	₹4,99,565.00	Mamta-Health Institute for Mother & Child
4.	Support for promotion of education, health and livelihood.	Promoting education and health care including preventive health care and sanitation.	Nalagarh, Himachal Pradesh	₹6,00,480.00	₹6,00,480.00	₹6,00,480.00	SARD-Society for All Round Development
	Total			**₹67,75,527.00**	**₹69,62,624.00**	**₹1,22,57,557.00**	

Note: The CSR Report only include the CSR spent mandatorily done by the Company in any of its financial years.

***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 under-served 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.

c) SARD-Society for All Round Development

SARD is a Non-Government Organisation registered under Societies Registration Act, 1860 at New Delhi, established with a mission to empower the deprived section of society, especially women, through the promotion of education, health care, skill development and sustainable economic activities.

6. In case the Company has failed to spend the two per cent of the average net profits 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]

Annexure-III

Form No. AOC-2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis are given below:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Greenlam Asia Pacific Pte. Ltd. (Wholly-owned subsidiary)	Arrangement for sale of products	For the financial year 2014-15 and subsequent years	On mutually agreed terms up to sale value of ₹1,15,75,22,070 during financial year 2016-17.	February 02, 2015	Nil

For and on behalf of the Board of Directors

Shiv Prakash Mittal
Non-Executive Chairman
[DIN: 00237242]

Place: New Delhi
Date: May 25, 2017

Annexure-IV

Manoj Kumar Verma
Practising Company Secretary
D-12, LGF, LAJPAT NAGAR-III, NEW DELHI-24
Tel.: +91-11-4290 9910/11, +91-93130 04529, +9958865446
E-mail:lgurung @ lgcorplaw.com,mkv965@yahoo.com

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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, 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, 2017** 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, 2017 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 made by the Company;

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the period under review;**

(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; - **Not applicable to the Company during the period under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the period under review;**

(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 (De-listing of Equity Shares) Regulations, 2009; - **Not**

applicable to the Company during the period under review; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the period under review;**

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 pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure 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, if any, in the composition of the Board of Directors and Board Committees 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 in pursuance except as follows:

i. During the year 2016-17, the Company has decided to expand the manufacturing capacity for laminates at its unit Nalagarh, Himachal Pradesh, to manufacture additional 2 million laminate sheets per annum.

(Manoj Kumar Verma)
Practising Company Secretary

Place: New Delhi
Date: May 25, 2017

M. No. FCS 7632
C P No.: 8275

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 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. Wherever 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 Laws and other applicable laws, rules, regulations, guidelines, standards, etc. 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.

(Manoj Kumar Verma)
Practising Company Secretary

Place: New Delhi
Date: May 25, 2017

M. No. FCS 7632
C P No.: 8275

Annexure-V

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2017

[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-786125 Phone No.: +91-11-42791399, Fax No.: +91-11-42791330 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 & Share Transfer Agent	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd floor Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028 Phone No.: +91-11-41410592, Fax No.: +91-11-41410591 Email: delhi@linkintime.co.in Website: www.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	84.16%
2.	Decorative Veneer & Allied Products	16211	15.84%

* 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 Asia Pacific Pte. Limited	Not Applicable	Subsidiary	100%	2(87)(ii)
2.	Greenlam America, Inc.	Not Applicable	Subsidiary	100%	2(87)(ii)
3.	Greenlam Europe (UK) Limited	Not Applicable	Subsidiary	100%	2(87)(ii)
4.	Greenlam Asia Pacific (Thailand) Co., Ltd.	Not Applicable	Subsidiary	97.5%	2(87)(ii)
5.	Greenlam Holding Co., Limited	Not Applicable	Subsidiary	99%	2(87)(ii)
6.	PT. Greenlam Asia Pacific	Not Applicable	Subsidiary	99%	2(87)(ii)

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 April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/HUF	4346514	0	4346514	18.01	4246514	0	4246514	17.59	(0.42)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	8966114	0	8966114	37.15	8966114	0	8966114	37.15	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**13312628**	**0**	**13312628**	**55.16**	**13212628**	**0**	**13212628**	**54.74**	**(0.42)**
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**13312628**	**0**	**13312628**	**55.16**	**13212628**	**0**	**13212628**	**54.74**	**(0.42)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1826049	0	1826049	7.56	2268516	0	2268516	9.40	(1.84)
b) Banks/FI	-	-	-	-	970	0	970	0.00	0.00
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	422410	0	422410	1.76	25658	0	25658	0.11	(1.65)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**2248459**	**0**	**2248459**	**9.32**	**2295144**	**0**	**2295144**	**9.51**	**0.19**
(2) Non-Institutions									
a) Bodies Corporate	250378	0	250378	1.04	224156	0	224156	0.93	(0.11)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	814109	32975	847084	3.51	828320	21043	849363	3.52	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3652289	0	3652289	15.13	3301442	0	3301442	13.68	(1.45)
c) Others (Specify)									
I. Non Resident Indians	46408	0	46408	0.19	45280	0	45280	0.19	0.00

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii. Foreign Nationals	500	0	500	0.00	500	0	500	0.00	0.00
iv. Clearing Members	3578	0	3578	0.01	1725	0	1725	0.00	(0.01)
v. Foreign Company	1901342	0	1901342	7.88	1901342	0	1901342	7.88	0.00
vi. Foreign Portfolio Investors	1242501	0	1242501	5.15	1610794	0	1610794	6.67	1.52
vii. Trusts	3586	0	3586	0.01	3586	0	3586	0.01	0.00
viii. HUFs	627621	0	627621	2.60	680943	0	680943	2.82	0.22
ix. Unclaimed Suspense Account	-	-	-	-	9471	0	9471	0.04	0.04
Sub-total (B)(2):	**8542312**	**32975**	**8575287**	**35.52**	**8607559**	**21043**	**8628602**	**35.75**	**0.23**
Total Public Shareholding (B) = (B) (1)+(B) (2)	**10790771**	**32975**	**10823746**	**44.84**	**10902703**	**21043**	**10923746**	**45.26**	**0.42**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**24103399**	**32975**	**24136374**	**100.00**	**24115331**	**21043**	**24136374**	**100.00**	-

B. Shareholding of Promoters & Promoter Group:

Sl. No.	Shareholders' Name	Category	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
			No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	
1	Mr. Saurabh Mittal	Promoter	3306534	13.70	-	3206534	13.29	-	(0.41)
2	Mr. Shiv Prakash Mittal	Promoter Group	506000	2.10	-	506000	2.10	-	0.00
3	Ms. Parul Mittal	Promoter Group	478800	1.98	-	478800	1.98	-	0.00
4	Ms. Santosh Mittal	Promoter Group	55180	0.23	-	55180	0.23	-	0.00
5	Greenply Leasing & Finance Private Limited	Promoter Group	2724481	11.29	-	2724481	11.29	-	0.00
6	S. M. Management Private Limited	Promoter Group	3543462	14.68	-	3543462	14.68	-	0.00
7	Prime Holdings Private Limited	Promoter Group	2408560	9.98	-	2408560	9.98	-	0.00
8	Vanashree Properties Private Limited	Promoter Group	289611	1.20	-	289611	1.20	-	0.00

C. Change in Promoters & Promoter Group Shareholding:

Sl. No.	Particulars	Category	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	**Mr. Saurabh Mittal**	Promoter				
	At the beginning of the year		3306534	13.70	3306534	13.70
	Changes during the year :					
	On 23.02.2017 sold 100,000 equity shares in open market.		-	-	3206534	13.29
	At the end of the year				3206534	13.29

Sl. No.	Particulars	Category	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
2	**Mr. Shiv Prakash Mittal**	Promoter Group				
	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
3	**Ms. Parul Mittal**	Promoter Group				
	At the beginning of the year		478800	1.98	478800	1.98
	Changes during the year		-	-	-	-
	At the end of the year				478800	1.98
4	**Ms. Santosh Mittal**	Promoter Group				
	At the beginning of the year		55180	0.23	55180	0.23
	Changes during the year		-	-	-	-
	At the end of the year				55180	0.23
5	**Greenply Leasing & Finance Private Limited**	Promoter Group				
	At the beginning of the year		2724481	11.29	2724481	11.29
	Changes during the year		-	-	-	-
	At the end of the year				2724481	11.29
6	**S. M. Management Private Limited**	Promoter Group				
	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
7	**Prime Holdings Private Limited**	Promoter Group				
	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
8	**Vanashree Properties Private Limited**	Promoter Group				
	At the beginning of the year		289611	1.20	289611	1.20
	Changes during the year		-	-	-	-
	At the end of the year				289611	1.20

D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters & Promoter Group 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	**Westbridge Crossover Fund, LLC**				
	At the beginning of the year	1901342	7.88	1901342	7.88
	Changes during the year	-	-	-	-
	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
2	**HDFC Trustee Company Ltd.**				
	At the beginning of the year	1826049	7.57	1826049	7.57
	Changes during the year:				
	On 08.04.2016 sold 46673 shares.	-	-	1779376	7.37
	At the end of the year			1779376	7.37
3	**Mr. Ashish Dhawan**				
	At the beginning of the year	2032969	8.42	2032969	8.42
	Changes during the year:				
	On 11.11.2016 sold 200000 shares.	-	-	1832969	7.59
	On 18.11.2016 sold 152000 shares.	-	-	1680969	6.96
	At the end of the year			1680969	6.96
4	**Jwalamukhi Investment Holdings**				
	At the beginning of the year	1201884	4.98	1201884	4.98
	Changes during the year:				
	On 08.04.2016 purchased 58403 shares.	-	-	1260287	5.22
	On 17.03.2017 purchased 21347 shares.	-	-	1281634	5.31
	At the end of the year			1281634	5.31
5	**DSP Blackrock Core Fund**				
	At the beginning of the year	-	-	-	-
	Changes during the year:				
	On 11.11.2016 purchased 240022 shares.	-	-	240022	0.99
	On 18.11.2016 purchased 202821 shares.	-	-	442843	1.83
	On 25.11.2016 purchased 8678 shares.	-	-	451521	1.87
	On 30.12.2016 purchased 1408 shares.	-	-	452929	1.88
	On 20.01.2017 purchased 2939 shares.	-	-	455868	1.88
	On 27.01.2017 purchased 2354 shares.	-	-	458222	1.90
	On 03.02.2017 purchased 15388 shares.	-	-	473610	1.96
	On 10.02.2017 purchased 3802 shares.	-	-	477412	1.98
	On 17.02.2017 purchased 2676 shares.	-	-	480088	1.99
	On 03.03.2017 purchased 7286 shares.	-	-	487374	2.02
	On 17.03.2017 purchased 1624 shares.	-	-	488998	2.02
	On 31.03.2017 purchased 142 shares.	-	-	489140	2.03
	At the end of the year			489140	2.03
6	**Akhil Dhawan**				
	At the beginning of the year	546612	2.26	546612	2.26
	Changes during the year:				
	On 29.07.2016 sold 3000 shares.	-	-	543612	2.25
	On 11.11.2016 sold 40000 shares.	-	-	503612	2.09
	On 18.11.2016 sold 48000 shares.	-	-	455612	1.89
	At the end of the year			455612	1.89
7	**Akash Bhanshali**				
	At the beginning of the year	296771	1.23	296771	1.23
	Changes during the year:				
	On 03.03.2017 purchased 100000 shares.	-	-	396771	1.64
	At the end of the year			396771	1.64
8	**Akash Bhanshali & Manek Bhanshali (HUF)**				
	At the beginning of the year	330000	1.37	330000	1.37
	Changes during the year	-	-	-	-
	At the end of the year			330000	1.37

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
9	Vallabh Roopchand Bhanshali				
	At the beginning of the year	319100	1.32	319100	1.32
	Changes during the year	-	-	-	-
	At the end of the year			319100	1.32
10	Mangal Bhanshali (HUF)				
	At the beginning of the year	260000	1.08	260000	1.08
	Changes during the year	-	-	-	-
	At the end of the year			260000	1.08

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	Mr. Shiv Prakash Mittal, Non-Executive Chairman				
	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	Mr. Saurabh Mittal, Managing Director & CEO				
	At the beginning of the year	3306534	13.70	3306534	13.70
	Changes during the year :				
	On 23.02.2017 sold 100,000 equity shares in open market.	-	-	3206534	13.29
	At the end of the year			3206534	13.29
3	Ms. Parul Mittal, Director - Design & Marketing				
	At the beginning of the year	478800	1.98	478800	1.98
	Changes during the year	-	-	-	-
	At the end of the year			478800	1.98
4	Mr. Vijay Kumar Chopra, Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
5	Ms. Urvashi Saxena, Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
6	Ms. Sonali Bhagwati Dalal, Independent Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
7	Mr. Ashok Kumar Sharma, Chief Financial Officer				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	-	-	-	-
	At the end of the year			Nil	Nil
8	Mr. Prakash Kumar Biswal, Company Secretary & Asst. Vice President - Legal				
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,34,05,57,740.00	20,37,70,577.00	Nil	2,54,43,28,317.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	40,34,025.00	Nil	Nil	40,34,025.00
Total (i+ii+iii)	**2,34,45,91,765.00**	**20,37,70,577.00**	**Nil**	**2,54,83,62,342.00**
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	69,69,29,798.00	20,37,70,577.00	Nil	90,07,00,375.00
Net Change	**(69,69,29,798.00)**	**(20,37,70,577.00)**	**Nil**	**(90,07,00,375.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	1,64,36,27,941.00	Nil	Nil	1,64,36,27,941.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	77,53,223.00	Nil	Nil	77,53,223.00
Total (i+ii+iii)	**1,65,13,81,164.00**	Nil	**Nil**	**1,65,13,81,164.00**

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	2,04,00,000.00	1,05,00,000.00	3,09,00,000.00
	(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	1,53,00,000.00	1,08,00,000.00	2,61,00,000.00
	- others	Nil	Nil	Nil
5.	Others (Contribution to Provident Fund)	20,16,000.00	12,60,000.00	32,76,000.00
	Total (A)	**3,77,16,000.00**	**2,25,60,000.00**	**6,02,76,000.00**
	Ceiling as per the Act^	3,77,57,500.00	3,77,57,500.00	7,55,15,000.00

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

B. Remuneration to other Directors

(Amount in ₹)

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.	2,95,000.00*	2,30,000.00*	2,05,000.00*	7,30,000.00*
	Commission	N.A.	10,00,000.00**	10,00,000.00**	10,00,000.00**	30,00,000.00**
	Others	N.A.	Nil	Nil	Nil	Nil
	Total (1)	N.A.	12,95,000.00	12,30,000.00	12,05,000.00	37,30,000.00
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
	Total (2)	Nil	N.A.	N.A.	N.A.	Nil
	Total (B)=(1+2)	Nil	12,95,000.00	12,30,000.00	12,05,000.00	37,30,000.00
	Total Managerial Remuneration	**6,40,06,000.00#**				
	Overall Ceiling as per the Act	8,30,66,700.00@				

*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 profits 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	87,76,512.00	35,43,790.00	1,23,20,302.00
	(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	4,26,708.00	163,200.00	5,89,908.00
	Total	92,03,220.00	37,06,990.00	1,29,10,210.00

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)
A. COMPANY					
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. DIRECTORS					
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.
C. OTHER OFFICERS IN DEFAULT					
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.

For and on behalf of the Board of Directors

Shiv Prakash Mittal
Non-Executive Chairman
[DIN: 00237242]

Place: New Delhi
Date: May 25, 2017

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:

- The CPF 160 boiler's feed pump system was modified by replacing the existing old design 30 KW pump by an 18.5 KW pumping system which resulted in an annual electrical energy saving of 37,000 KWH.
- CPF 160 & QT 60 heating systems are attempted for Automation by installing Oxygen Analysers and synchronising the burner with the fuel feeding system with the analyser. The returns on the investment would be in less than a year and would result in huge energy and fuel saving.
- VFDs have been installed on the IDs, FDs and Screw Feeder of the thermic fluid system as well as the High Pressure Hot water system which effectively caused auto cutoffs and resulted in a saving of 26,000 KWH of electric power per annum.
- Cooling towers have been integrated with PID controllers which resulted in an energy saving of 19,396 KWH of electric power.
- Veneers Press Circulating pump has been replaced by a 7.5 KW pump in place of the old designed 15 KW pump. The resultant energy savings on this account was 48,000 KWH.
- Damaged insulation was replaced on the hot water and oil lines. This resulted in an annual saving of 85 MT of fuel.
- Replacement of conventional street lights with LEDs continued. This has further yielded an energy saving of 15,120 KWH.
- Cooling pumps on press no. 4 have been replaced by energy efficient low capacity pumps. The net energy saving envisaged is 13,406 KWH. This exercise will be carried out in a phased manned on all the presses during the current year.
- Laminate and Veneer scrap/waste is fired in boiler. This is expected to yield a fuel savings and same would be summarized upon stabilization.
- The manufacturing plants continue to
  - Reuse the RO reject waters for flushing, cleaning, ash quenching, dust quenching and floor washing purposes
  - Using STP waters for gardening purposes
  - The water conservation from these practises are 14,600 KL per annum

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

Exploring the feasibility of converting certain process equipment and lighting and power system in the housing colony to run on solar energy.

(iii) Capital Investment on energy conservation equipment: Nil

(B) Technology Absorption:

i. Efforts made towards technology absorption:

a. Newer products like AFX, ESD, HD Gloss have been successfully launched in India and abroad. The manufacturing techniques involve adoption of modern technologies and equipment to accomplish the world class standards.

b. A new texture named "Synchronized" Olmo & Freshno have been developed and introduced and the technique used to make the product is special and different from the conventional textures.

c. The plants have improved the cutting system in order to ensure full consistency of smoothness and rectangularity in the product.

d. There have been sustained and continuous efforts in cost reduction, product presentation and customer support services. The focus is fully on customer orientation and satisfaction.

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

a. The process efficiencies have been improved by installing rotary cutters on impregnation machines whereby the productivity got enhanced apart from a further drop in process wastages by 0.2%.

b. Impregnator no. 7 and 1 has been fully revamped by replacing the old technology oven capacities in order to give an increased output of 60% over the previous capacity.

iii. **Information regarding technology imported, during the last 3 years:**
   a. Details of technology imported: Plates' polishing machine from Italy
   b. Year of import: 2015
   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: ₹30.32 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)

Particulars	March 31, 2017	March 31, 2016
Earnings on account of:		
a) FOB value of exports	33,074.94	32,550.95
b) others	20.46	1.04
Total	**33,095.40**	**32,551.99**
Outgo on account of:		
a) Raw materials	27,598.54	21,659.51
b) Capital goods	271.23	766.93
c) Traded goods	145.99	34.42
d) Stores & spare parts	82.83	201.02
e) Others	577.39	681.90
Total	**28,675.98**	**23,343.78**

For and on behalf of the Board of Directors

Shiv Prakash Mittal
Non-Executive Chairman
[DIN: 00237242]

Place: New Delhi
Date: May 25, 2017

Annexure-VII

A. Particulars of employees for the year ended March 31, 2017 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 is as under:

Sl. No.	Name of Director	Designation	Ratio of the remuneration of each director to the median remuneration of employees
1.	Mr. Shiv Prakash Mittal	Non-Executive Chairman	N. A.
2.	Mr. Saurabh Mittal	Managing Director & CEO	192.37
3.	Ms. Parul Mittal	Director-Design & Marketing	115.07
4.	Mr. Vijay Kumar Chopra	Independent Director	6.61
5.	Ms. Urvashi Saxena	Independent Director	6.27
6.	Ms. Sonali Bhagwati Dalal	Independent Director	6.15

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17:

Sl. No.	Name of Director/KMP	Designation	% increase in Remuneration in the Financial Year 2016-17*
1.	Mr. Shiv Prakash Mittal	Non-Executive Chairman	N.A.
2.	Mr. Saurabh Mittal	Managing Director & CEO	16.39%
3.	Ms. Parul Mittal	Director-Design & Marketing	31.47%
4.	Mr. Vijay Kumar Chopra	Independent Director	25.73%
5.	Ms. Urvashi Saxena	Independent Director	19.42%
6.	Ms. Sonali Bhagwati Dalal	Independent Director	16.99%
7.	Mr. Ashok Kumar Sharma	Chief Financial Officer	13.11%
8.	Mr. Prakash Kumar Biswal	Company Secretary & Asst. Vice President - Legal	12.12%

* On entitlement basis.

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

During the financial year 2016-17, the median remuneration of employees of the Company was increased by 17.18%.

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

As on March 31, 2017, there were 1732 permanent employees on the rolls of the Company.

v. **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 2016-17 was approx 10%. The total managerial remuneration for the financial year 2016-17 was ₹6,40,06,000.00 as against ₹5,26,55,000.00 during the previous year 2015-16. The percentile increase in the overall managerial remuneration during the year 2016-17 was 21.56%.

The remuneration (including commission) payable to Mr. Saurabh Mittal and Ms. Parul Mittal, which was initially finalized by the Board of Directors at their meeting held on November 11, 2014, has been revised for the first time by the Board of Directors in their meeting held on October 18, 2016 with effect from October 01, 2016. The same was recommended by the Nomination and Remuneration Committee of the Company and is subject to the approval

of shareholders of the Company in the next General Meeting. Further in the above said meeting, the Board of Directors, subject to the approval of shareholders of the Company in the next General Meeting, decided to increase the annual commission payable to Independent Directors from ₹7,50,000 to ₹10,00,000 with effect from financial year 2016-17, subject to the condition that the total commission to all the Non-Executive Directors along with the applicable service tax thereon, if any, shall not exceed 1(one) per cent of the net profits of the Company in any financial year. Also the sitting fees payable to Directors was revised with effect from October 18, 2016.

iv. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**
It is hereby affirmed that the remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.

B. **Particulars of employees for the year ended March 31, 2017 as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name of the employee	Age (years)	Designation	Remuneration Received (₹)	Qualification	Experience in years	Date of commencement of employment	Last employment
1.	Mr. Saurabh Mittal	41	Managing Director & CEO	3,77,16,000.00	B.Com	20	01/04/2002*	Himalaya Granites Limited
2.	Ms. Parul Mittal	39	Director-Design & Marketing	2,25,60,000.00	B.Com	15	11/11/2014	Greenply Industries Limited
3.	Mr. Anuj Sangal	49	Country Head-Laminates & Allied	1,40,17,345.00	MBA	24	01/04/2015	Sonear Industries Limited
4.	Mr. Shivaji Mohinta	49	Country Head-Decorative Veneer	1,13,25,791.00	Strategic Mgt. Diploma	27	26/12/2014	Hunter Douglas India Pvt. Ltd.
5.	Mr. BL Sharma	60	Head of Manufacturing	1,12,62,512.00	B.Sc., LLB, MBA	36	01/09/2013*	Stylam Industries Limited
6.	Mr. Anil Tyagi	60	Business Head-Flooring	92,77,186.00	B.Sc.	30	02/01/2015	Futura Living Art Pvt. Ltd.
7.	Mr. Ashok Kumar Sharma	48	Chief Financial Officer	92,03,220.00	CA	24	23/12/2013*	Su-Kam Power System Limited
8.	Mr. Yashwant Gajanan Pagnis#	55	President-New Projects	62,49,247.00	Diploma in Electrical Engineering	37	01/04/2016	Lifestyle Accessories India Private Lineitex
9.	Mr. Pankaj Rishi	47	COO-Middle East & North Africa	55,41,590.00	BA, MBA	24	01/12/2016	Engineering Building Materials Co. WII
10.	Mr. Kalyan Dutt Roy	58	Senior Vice President- Doors	54,30,464.00	MBA	32	01/10/2015	Timbmet Door Solutions Limited

*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, 2014 (Appointed date April 01, 2013) and accordingly the respective date of appointment in the Demerged Company has been considered.

#employment ceased during the financial year 2016-17.

Notes:

1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission and other perquisites as per the terms of employment. However, the above remuneration does not include provision for gratuity and expenses towards club membership fees.
2. All the employees have requisite experience to discharge the responsibility assigned to them.
3. Nature and terms of employment are as per resolution/appointment letter.
4. None of the employees own 2% or more of the equity shares of the Company as on March 31, 2017.
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 25, 2017

Management discussion and analysis

Global economic overview

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. Within advanced economies, comprising the US, Europe and Japan, the lingering legacies of the recent crisis, coupled with protracted monetary policy support and return to fiscal neutrality, underpinned a generally-accelerating output with falling unemployment. In countries outside the advanced economies, the sources of slower growth ranged from commodity price declines to overhangs from past rapid credit growth to political turmoil.

Resultantly, global growth was projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage point for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US.

The long-term prospects of emerging market economies have improved on the back of a visible lowering of interest rates in advanced economies and firming of commodity prices. Asia in general and India in particular has demonstrated robust growth while sub-Saharan Africa has experienced a sharp slowdown. *(Sources: IMF and World Bank)*

Among advanced economies, activity rebounded strongly in the US and the economy is approaching full employment. Long-term nominal and real interest rates have risen in the UK and in the US since the November 2016 Presidential election. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices; however, several emerging market currencies depreciated substantially.

Interestingly, with China reorienting itself into a consumption-centric economy and Saudi Arabia reducing its dependence on oil, the case for base metals has strengthened, which, in turn, has propped up commodity prices. Consequently, inflation rates have recovered across advanced economies and commodity prices have bottomed out in recent months.

Growth

	2016 (projected)	2017 (projected)	2018 (expected)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

(Source: IMF)

Outlook

The global economy has entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may provide some respite for resource-rich economies in 2017. However, the medium-term outlook continues to be bleak with growth weakening in terms of investments and labour supply. Businesses will need to prepare themselves adequately in order to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatilities and rapid technological advancements.

Indian economy overview

India's GDP growth was projected at 7.1% for the fiscal 2016-17 (CSO), down from the 7.6% recorded in 2015-16. Although demonetisation affected the GDP growth rate by 100 bps, the governmental initiative of removing specified bank notes from circulation is expected to have long-term benefits. *(Source: http://www.livemint.com/Politics/RNFrr6eVDZplyMDCRm5UdN/IMF-downgrades-Indias-201617-GDP-growth-forecast-to-66.html)*

The growth rate of the industrial sector (measured in the index of industrial production or IIP) was estimated to moderate to 5.2% in 2016-17, down from 7.4% in 2015-16. The country's IIP registered a modest growth of 0.4% during the April-November period of 2016-17. With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rainfall than the usual, the agricultural sector is expected to grow at an above-average level of 4% on a weak base, caused by two consecutive periods of poor monsoons. This should lift the sagging rural demand and, by extension, the GDP growth rate. The major impetus is expected to come from the farm sector as non-agriculture growth is pegged to pick up by 10 bps over the previous fiscal to 8.6%.

To boost the rural economy, the Budget 2017-18 set aside ₹48,000 crore for MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act, 2005) to provide a shot in the arm to the skills development sector, enhancing disposable incomes, giving a boost to consumption and accelerating the overall rural economic growth.

Outlook

The long-term growth outlook for India seems bright. Nonetheless, the growth forecast for the next fiscal has been trimmed by 40 bps. This has been primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative. Subsequently, India's GVA (gross value-added) growth is likely to remain at 6.6% as economic activity will take more time to normalise. However, the imminent implementation of the GST (Goods and Services Tax) is expected to boost interstate trade by ushering in investments, reducing supply chain-related issues, improving economies-of-scale and cutting down overheads *(Sources: IMF, ICRA)*.

Indian government initiatives to boost economic growth

Smart cities

The Indian government launched the 'Smart Cities' initiative in collaboration with states and union territories. The objective of the mission is to propel urban growth through an infrastructure overhaul. It intends to drive economic growth and improve the living standards of people by enabling local area development through harnessing technology. The central focus of the Smart Cities mission is anchored on city improvement (retrofitting) and city extension (greenfield development). This initiative will cover 100 cities and is expected to be implemented as a centrally sponsored scheme with the union government allocating ₹48,000 crore over five years. In the first phase, 20 cities have been shortlisted for their transformation into a smart city.

Make in India

The 'Make in India' initiative was launched with the objective of making India a global manufacturing hub. The initiative is expected to boost entrepreneurship in manufacturing, services and infrastructure sectors. The Indian Government set up 'Invest India' as a national investment promotion and facilitation agency under the initiative. In addition, a full-fledged investment facilitation cell has also been set-up primarily to support all investment queries as well as to handhold and liaise with various agencies on behalf of potential investors.

Ease of doing business (EoDB):

The government's EoDB initiative is aimed at improving the business environment in India. Under this initiative, the government has sought to amend several laws towards easing the process of starting and running a business. Some of the key measures undertaken include: online application for industrial licenses, restriction of the documents required for export and import activities, removal of requirements for minimum paid-up capital for companies, granting of security clearances on an industrial license within 12 weeks and establishment of a facilitation cell under Invest India, among others.

Indian furniture industry

Overview

The Indian furniture industry is one of the fast growing sectors in the world. Steady growth of the Indian economy, real estate/hospitality sectors boom, increase in spending power coupled with lifestyle changes have fuelled the growth of the furniture market in the country. The Indian furniture industry is characterized by a large number of small players, accounting for nearly 80% of the domestic production. However, with the onset and growing popularity of the online furniture market, the industry is likely to witness consolidation, going forward.

The Indian furniture market, estimated at ₹720 billion in 2014-15, is forecast to reach ₹1,510 billion by 2019-20. The country's furniture market is primarily concentrated in the metropolitan and Tier I and II cities with the major user segments being residential, office, commercial and institutional. *(Source: MCG)*

Over the last two decades, the evolution of the housing furniture market has been gradual but significant; from product offering, to formats, materials and market structure, the market has witnessed steady growth and change. Figures on the actual size of the furniture market are hazy on account of the fact that a large proportion of the industry rests in the unorganized sector, (nearly 80%), with poor accounting standards and reported turnover. Despite this, the industry itself is robust and estimated to be growing at over 20% per annum. *(Source: World Bank)*

Growth drivers

Fast growing Indian real estate sector:

The Indian real estate market is expected to touch US$ 180 billion by 2020 with the housing sector alone contributing about 6% to the country's GDP. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Besides, the implementation of the Real Estate (Regulation and Development) Act, 2016 is expected to usher in a new period for the country's real estate industry, bringing in transparency and discipline and contributing to strengthening the foundations of the sector for achieving sustainable growth.

Growing demand for IT office and other office parks:

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2016 across the top-eight cities amounted to 34 million square feet (msf) with Bengaluru recording the highest net absorption during the year. Information technology and business process management sectors led the total leasing table with 52% of the total space uptake in 2016 *(Source: IBEF)*.

Increase in per capita income:

India's per capita income, a gauge for measuring living standards, is estimated to cross ₹1 lakh in 2016-17, up from ₹93,293 in the previous fiscal. As per the 'First Advance Estimates of National Income, 2016-17' released by the Central Statistics Office (CSO), the per capita net national income during 2016-17 is estimated to be ₹103,007, at current prices. This is over 10% higher than ₹93,293 reported during 2015-16.

Growth in the consumer market:

The growth in India's consumer market would be primarily driven by a favourable population composition and increasing disposable incomes. The growing purchasing power and rising influence of social media have enabled Indian consumers to loosen their purse strings. Resultantly, annual growth in the Indian consumption market was estimated at 6.7% during FY2015-20 and is expected to rise to 7.1% during the FY2021-25 period.

Increasing demand for modern homes:

The boom in the residential real estate industry over the last few decades has given an impetus to the home décor market. Also driving the growth of this sector is increased consciousness among home owners for stylish interiors and aesthetic indoors. One of the factors that has contributed to this growth is that people have started taking their home as a reflection and extension of their personalities and hence, a number of people are now spending more on both furniture and fixtures as also on home decor.

Growing middle-class:

In India, the middle-class consumer base is growing rapidly. They expect quality products at cost-effective propositions. Rising incomes and improvement in infrastructure are enlarging consumer markets and accelerating the convergence of consumer tastes.

Working women spending significantly on home fashion:

In the present times, Indian women are becoming more conscious about home fashion and decoration. They are spending a significant part of their savings and income on home decor. In an interesting trend, Indian women are becoming more particular about the needs for their home luxury and its design. This is big factor driving demand for quality and even quirky furniture in the country.

Increasing demand for luxury homes:

Luxury housing is emerging as one of the most vibrant and dynamic real estate segments in India. The growing demand for luxury housing can be attributed to a rise in the number of High-Net Worth Individuals (HNI), the influx of global lifestyle trends and growing aspirations. The country's fast-expanding services sector is propelling many middle-income group individuals into the HNI bracket. Improved business confidence and the general depreciation in the value of the Indian rupee in the global financial markets has also boosted Non-Resident Indian (NRI) buyers' interest in India's luxury housing segment.

Governmental reforms:

Government reforms, most notably demonetization, have proved to be positive for the organized players with transactions now being processed online or through cheques. Furthermore, introduction of the GST will create a level playing field, boosting the competitiveness and prospects of the organized Indian market.

Outlook

Home furnishing market in India is expected to witness an 8% CAGR during 2013-18. With the increase in the number of working women in the country, increasing demand among consumers to design their homes and residences is fuelling the growth of the home furnishing industry. It is estimated that the Indian home furnishing market will reach a size of about US$ 5 billion by 2018 due to the growth of the organized retail industry along with higher per capita income as well as growing population base. *(Source: TechSci research)*

Industry overview

Global context

Global demand for decorative laminates is expected to rise 5.6% per year to reach a size of 10.7 billion square meters in 2018. Increase in decorative interior demand from convention centers, gymnasiums and indoor sports clubs are likely to create room for new opportunities. Rising trend for better lifestyle and increasing interest in home interior and remodeling are anticipated to be among the key driving factors to augment demand.

Domestic context

The decorative laminates accounting for a sizeable share of the furniture industry and is expected to keep on growing in the years to come. The market could be segmented on the basis of distribution channels where the unorganized market accounts for the major share. However with changing consumer preferences the market has seen a shift towards the organized segment due to increased demand for good quality and branded products. The share of organized players in the industry

expected to rise in the years to come. This shift is taking place primarily due to urbanization and more disposable income.

The market for laminates is also driven by increasing demand from housing market. The demand has increased due to growing significance of new construction industry. Laminates have become an indispensable part of big and evolving markets like real-estate market, furniture market and modular kitchen market, among others. The increased demand in these markets triggers the demand in the laminates market.

Apart from this, increasing urban population, rising per capita income and a gradual shift towards non-food industry are other key factors driving the growth of laminates industry in India. Further, the implementation of Goods and services Tax (GST) in the near future will provide an impetus to organised laminate industry.

The policy announced by the Government of India for affordable housing would act as a major revenue driver of laminate and allied products consumption in the country.

About Greenlam Industries

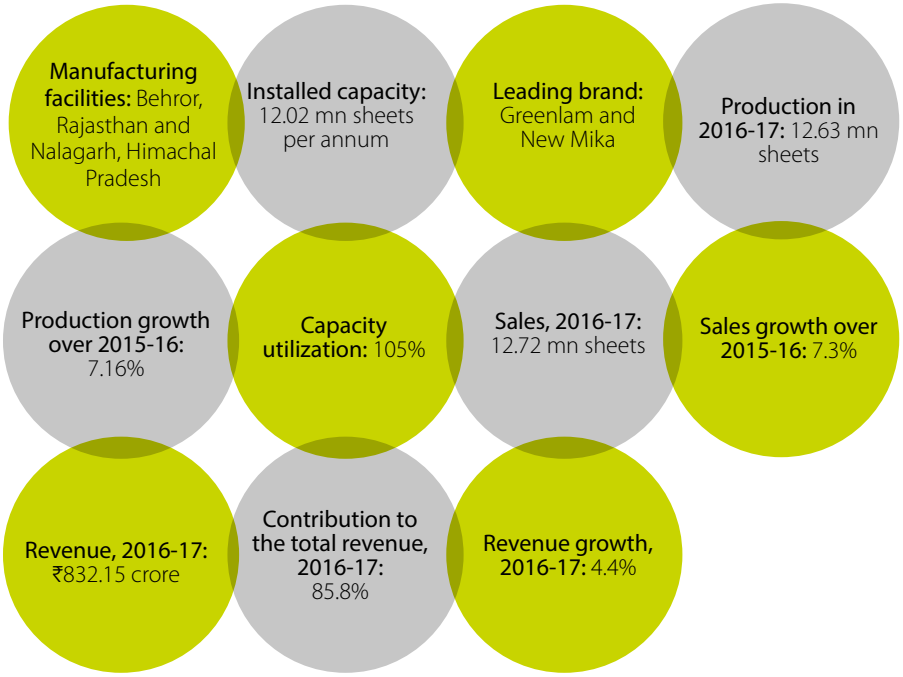
Greenlam Industries is in the business of transforming interior spaces with rich industry experience. The Company is among the top-3 laminates producer in the world and the largest in Asia in terms of production capacity at 12.02 mn sheets per annum and additional 2.00 million sheets to be operationalised by Q1 2017-18. It enjoys an exports presence in over 100 countries and has 13 international offices. The Company is also India's first and only manufacturer of engineered wooden flooring and engineered doors and frames. Greenlam's product are produced in the world class state of the art manufacturing facilities situated at Behror - Rajasthan and Nalagarh - Himachal Pradesh.

Greenlam Industries possesses a 19% market share in organised laminates and 11% share in organised decorative veneers in India, thanks to a portfolio that opens up infinite design possibilities.

BUSINESS SEGMENT ANALYSIS

Laminates and allied

Snapshot



Market overview

Greenlam Industries is among the top-3 laminates players in the world, is Asia's largest laminates brand and is India's largest exporter of laminates. The resilience of the Company's flagship laminates business was evident during the period of demonetization during which it was able to control de-growth in the third quarter of 2016-17; during the fourth quarter, the business was able to almost restore its pre-demonetisation sales volumes. In fact, the Company leveraged demonetization as a tool to strengthen terms of trade with its dealership, mobilise pending legacy credit and implement a credit lock to ensure timely cash inflows.

Highlights, 2016-17

- Lowered dealership credit period with strict enforcement, during the year; this resulted in improved trade discipline, timely cash inflows and better working capital cycle
- Laminates sales grew 7.3% in volume terms and 4.4% by value with portfolio rebalancing
- Production increased by 7.16% to 12.63 mn sheets, largely through increasing capacity utilization and debottlenecking
- Launched new product series under 'Reflections' (digital laminates); also is the first Indian brand to launch the anti-fingerprint laminates (AFX) in the country
- Continued to remain the largest laminates exporter out of India, recording an export sales of 44.1% to ₹367.34 crore
- Added 2,000 trade partners to the distribution network and, even with enforcement of the credit lock, no major dealer attrition was reported during the year

Core competencies

Experience: Greenlam enjoys rich experience in the Indian as well as global laminates industry. This helps in a better understanding of customer aspirations and emerging trends to proactively evolve the business and products.

Capacity: The Company possesses the largest capacity in the laminates industry in Asia at 12.02 mn sheets per annum. This provides economies-of-scale, enabling better cost absorption across a larger product volume.

Range: The Company offers the widest product range in the laminates space at over 2,500 SKUs. Besides, Greenlam laminates are available at price points straddling both ends of the value chain, encompassing the largest price range in the industry. Greenlam's standard-sized (4' x 8') and large-format laminates (4.25' x 10', 5' x 12', 6' x 12' etc.) as part of its diverse portfolio, enhances our product competency across the international markets.

Reach: The Company possesses one of the largest distribution networks for laminates in the country. This facilitates in deeper penetration and faster reach to the end-consumer, facilitating pan-India offtake. In addition, Greenlam laminates are exported to 100+ countries around the world. As a result, the Company is one of the fastest growing brands, globally and the largest laminates exporter out of India.

Technology: The Company leverages cutting-edge technology to provide superior products that enhance customer convenience and their decors. This has cemented a stronger recall in the minds of consumers and has resulted in sustainable offtake.

Industry optimism

With the Government's continued focus and thrust on infrastructure and affordable housing through formalizing a host of initiatives and policies, the demand for laminates is likely to remain strong, going forward. It is expected that the interior infrastructure products demand scenario will also remain robust on account of the Indian real estate industry being aligned with the standards of some of the developed countries of the world through the establishment of RERA that will create a more solid and sustainable platform for the industry.

INNOVATION FOCUS!

Greenlam introduced an anti-bacterial laminate for the first time on a pan-India basis, emerging as the only company in the industry to launch such a breakthrough product, most relevant for high footfall areas like hospitals, hotels and malls, among others.

Some of the other growth drivers include the Indian furniture market, especially with the proliferation of online furniture marketplaces, growing middle-class and disposable incomes and increased exposure to global trends and patterns with the need to replicate these across homes and offices.

Additionally, with the implementation of GST, widely expected from July 2017, there will be a perceptible shift towards the specialized, organized laminates market fostered by innovation, quality commitment, product mix, design and strong service orientation.

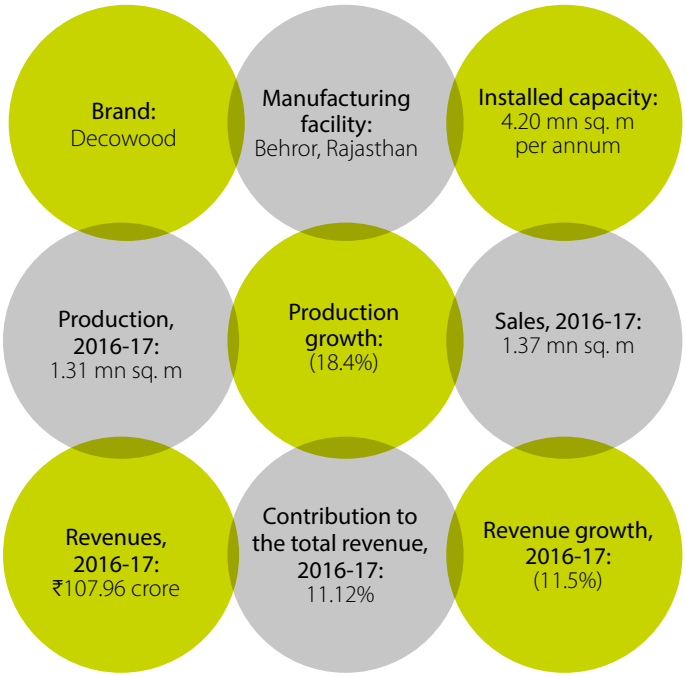
Business priorities, 2017-18

- Focus on improving volumes and value sales both in India and aboard; in India, the emphasis will be on profitable market share capture
- Achieve laminate capacity expansion of 2 mn sheets at Nalagarh, Himachal Pradesh, by the first quarter of 2017-18
- Strengthen dealer-distributor network with a focus on dealer productivity
- Increase in sales of Greenlam Clads owing to rampant urbanisation and rising aspiration complementing development of individual homes, bungalows in Tier II & III cities.
- Greenlam Sturdo - Restroom Cubicle made of Compact Laminate is expected to get a boost owing to Govt.'s push towards Swachh Bharat, smart cities, newer projects, airports and PSUs.

Decorative veneer and allied

A. DECORATIVE VENEER

Snapshot



Market overview

The consolidated Indian veneer market is pegged at about ₹2,000 crore. Out of this, ₹1,050 crore rests with the organized sector, within which Greenlam enjoys a share of about 10.28%. With low category awareness and higher product cost vis-à-vis competing products (paint and wallpaper, etc) the veneer industry continues to remain flat. On this scenario, the period during demonetization had a weakening impact on the business.

Over the years, as a counter to the prevailing trends, there has been a concerted focus by the industry to launch new products that include decorative veneer options in 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, thereby growing interest to some extent in the category as a whole.

Greenlam Industries is India's largest decorative veneers company with a capacity of 4.2 million square meters per annum.

Highlights, 2016-17

- Despite sharp industry shrinkage especially owing to de-monetization, Decowood was able to outperform the industry with minimum revenue degrowth.
- Held on to realizations through portfolio rebalancing despite the industry suffering from a general price erosion
- Reduced dealership credit period with stringent enforcement, from the third quarter onwards
- Established a product experience center under 'Madera Hub' in Behror, Rajasthan. The center is spread over a sprawling 54,000 sq. ft and provides extensive engagement with visitors to generate

interest in the product and raise awareness on the infinite possibilities of veneers

- Regularly organized awareness sessions among the key specifiers (designers and architects), disseminating knowledge on the natural wood surfacing interior product
- Launched premium products under two series – distressed and dyed collection (Oak)
- Remained focused on the project segment to improve the performance of decorative veneer business, especially post demonetization

Industry optimism

The growth of the residential real estate industry over the last few decades has given an impetus to the home décor market. Also, driving the growth of this sector is increased consciousness among homeowners for stylish interiors and beautiful indoors. One of the factors that has contributed to this growth is that people have started taking their home as a reflection of their personalities and hence, a lot of consumers are now spending more, both on furniture and fixtures and also on home decor.

Business priorities, 2017-18

- Focus on promotion of Decowood as an independent decorative veneers brand
- Venture more aggressively into the B2B segment, especially with construction largely moving offsite (catalyzed by pre-fab)
- Increase dealer network pan-India
- Promote and market Decowood veneers as wood interior surfacing product amongst the design fraternity due to its natural looks, warmth and richness.

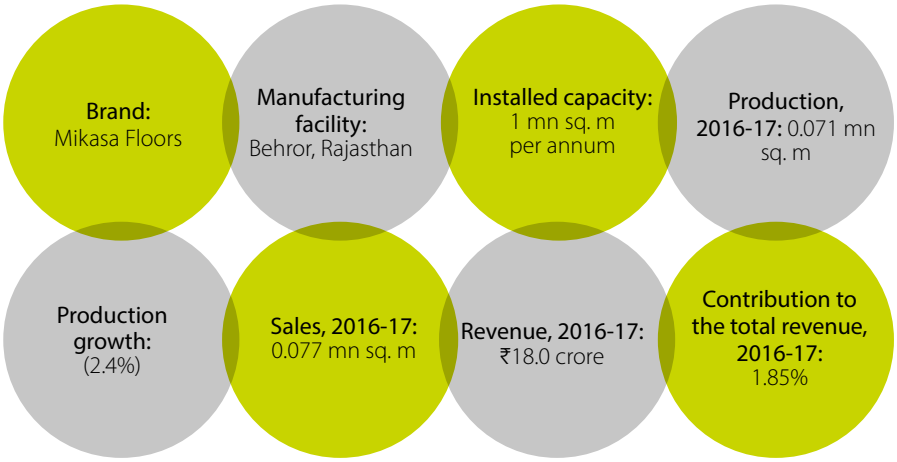
SOMETHING INTERESTING!

Wood is the most traditional and the most dynamic material for décor. Decowood veneers, made from wood from around the globe, are today defining décor trends in India and beyond. With these products, one can experience the most elegant and pure form of nature – through a large range of veneers available in a variety of shades. At Greenlam Industries, we offer 200+ exotic and imported natural veneer wood species and use high density hardwood plywood which provides durability and strengthens product quality. Apart from the standard size of 4'x8', we offer many specialized dimensions like 4x10 and 3x7, among others, for door and paneling applications.

- Invite a larger number of specifiers into Madera Hub; our expectation for the year is to invite and engage with 1,200 designers and architects to raise product and category awareness, translating into sales
- Leverage digital media to start conversations around our products and have a positive impact on sales

B. ENGINEERED WOOD FLOORING

Snapshot



Market overview

With no manufacturer of engineered wood flooring in India, most of these products are imported from Europe, South East Asia and China. The products started getting popular from the middle of 2005-06 and today, about 1.75-2.00 million sq. m of these products are imported into the country every year. Europe and China are the predominant producers and account for more than 80% of the global capacity available for engineered wood flooring.

Greenlam Industries is the only manufacturer of engineered wood flooring in India with a capacity of 1 million sq. m per annum. Having commenced production in September 2014, Mikasa, the brand of engineered wood flooring from Greenlam Industries, is making significant inroads into the Indian market and competes with global players being brought into the country by established importer-distributors, focusing on import substitution.

Our positioning

In 2016-17, Mikasa strengthened its market presence by appointing and activating network partners (dealers and retailers) in all the major consumption points of the country. With a sales force comprising more than 35 trained and committed personnel, Mikasa was able to competitively present the product portfolio to all major designer and architectural firms and started to gain the confidence of these specifiers.

The principal market segments for Mikasa include residential renovation, residential multi-unit projects, commercial spaces like chain stores and retail outlets, office spaces, hospitality (hotel rooms and restaurants), airport lounges and shops, schools and gymnasiums, among others. We have employed cutting-edge technology for producing world-class floorings in India.

Our entire raw material for the manufacture of these products is imported from ethical sources and our water-based lacquers and stains do not generate any VOCs. All Mikasa floors are conditioned separately to deliver finished floors suitable to the hot and humid environment of the local market. All these features of the products allow us to position them as a premium range of floorings which the consumers can enjoy for years to come. Our products are positioned and priced as 'Real wood affordable premium floorings made in India' and we are about 10-15% more affordable than comparable European products and technologically-better than most Asian imports.

Highlights, 2016-17

During the year under report, we spread our network in various regions including Metros, Tier I and Tier II cities. With this, we are now concentrating on consolidating the trade channels, increasing presence in furniture and furnishing outlets, tie-up with high-end developers and increasing the specifications from designers and architects. With increasing volumes, we are planning to tap demand on a pan-India basis.

Industry optimism

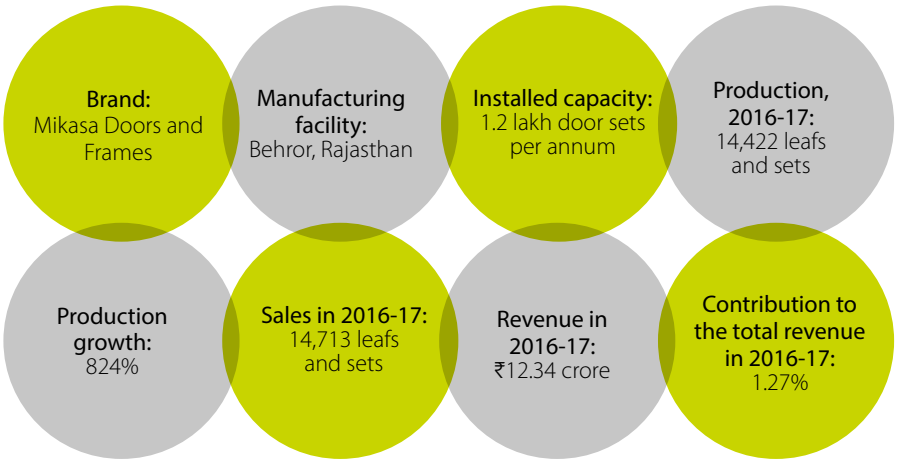
Driving the demand in the global wood flooring manufacturing market is the increasing housing construction and renovation activities. With the rapid pace of urbanization, the housing industry has received a major fillip. There has been a continued uptick in activity in the commercial real estate and building remodeling and renovation works as well. This has significantly contributed to the market growth along with increasing purchasing power of consumers who are increasingly opting for green buildings. The rising popularity of pre-finished products and manufactured floors has also raised awareness and driven demand.

Business priorities, 2017-18

- Reinforce our dealer network
- Enhance product range in the mass-premium segment

C. ENGINEERED DOORS AND FRAMES

Snapshot



Market overview

Globally, the uPVC (un-plasticized polyvinyl chloride) window and door system market share ranges from 60-80% in most countries while the predominant material of construction in India is still timber (in rural and in upper-end constructions), mild steel (in low-cost housing) and aluminum (in urban constructions). As per the latest available estimates, the Indian window and door market was valued at around ₹13,000 crore in 2013-14 and the market share of uPVC windows and door profiles share was about 6-7%.

However, growing awareness about the benefits of uPVC and demographic factors like rapid urbanization, growing concern about energy-efficiency, regulatory changes and aging building stock in the country is expected to change the fortunes of the uPVC windows and doors market in the country. A *United Nations* report suggests that the number of Indian citizens living in urban areas will reach 900 million by 2050 amounting to 55% of its population.

Greenlam Industries is the first organized company to launch engineered, factory-finished door solutions in the country with capacity of 120,000 doors units/sets per annum.

Highlights, 2016-17

- Achieved revenue growth of 1,277% to ₹12.34 crore
- Capacity utilization was ramped up to 12%
- Achieved good growth in the Southern Indian markets of Hyderabad, Chennai and Bengaluru with reasonably good performance in the Western part of the country
- Bagged prestigious customer contracts, including that for the super-premium One Avighna Park property in Mumbai
- Achieved a healthy growth in exports

Business priorities, 2017-18

- We are introducing the upgraded fire rated doors this year with fire resistant of 120 minutes
- We are shifting from flush doors to major particle doors and we are in the take-off stage
- Our team (Sales and manufacturing) is well trained and ready to take market share for this year
- This year we are looking to increase our exports and we have already started to find new geographies in MEA region.

Operations

Overview

At Greenlam Industries, our technology is at par with the global practices and we have internally worked and improvised on different factors that contribute to higher productivity and quality assurance. We are probably the only Indian manufacturers to invest in gloss molds polishing machinery with state-of-the-art technology imported from Imeas, Italy. This is paying returns in terms of consistent delivery of industry-leading high gloss levels and commensurate orders thereof. Importantly, our technology is stable and carries a risk of low obsolescence.

Highlights, 2016-17

- Some of the technological upgradations include the replacement of rotary cutters with conventional pneumatic cutters. These contribute to higher productivity besides ensuring clean cuts at varied speeds and lowering losses
- Sourced and standardized black pigmented Kraft paper for manufacture of compact laminates
- Commercialized the production and supply of high value products like ESD laminates, AFX laminates and HD gloss as well as post-forming variants, spangles etc
- Energy saving drives were taken up post energy audits. Utilities were made more efficient with respect to controlling fuel and dry flue gas losses, installing flash vessels across steam lines and switching to LED modules; these efforts resulted in an intangible saving of over 1.5% on fuel costs during the year
- There is a planned and concerted effort to deliver goods more quickly than before. For this, the Company invested in 11 regional distribution centers which stock goods depending on their movement. The requirements of the respective areas are met within short time spans and this has ensured quick and timely delivery of goods to customers

Our core strengths

- Highest capacity in terms of volumes
- Availability of diverse product sizes to suit end product requirements
- Consistent quality and supply chain modules
- Wide range of interior and exterior decorative products and solutions under one brand and under one roof
- First organized industry for engineered doors and real wood flooring in India

Focus areas, 2017-18

- Introduce veneered compacts and double décor-layered HPLs for shower rooms and pizza and skating boards
- Increase production by adding press lines
- Enhance heating facilities with more standby and accumulation machineries and equipment
- Ramp-up capacity utilization for Mikasa door and flooring units

SOMETHING INTERESTING!

Over the last five years, we have reduced rejections from 2.5% to 2% on the finished goods and Kraft paper wastages from 5.5% to 4.5%, demonstrating the effectiveness of our operations and the culture to control wastes.

BUSINESS EXCELLENCE DRIVERS

Quality

Overview

During the year 2016-17, the focus was on improving the post-production quality assurance attributes. Towards this extent, we worked on:

- Eliminating pigeon menace and ensuring hygiene
- Improving cutting quality
- Bringing forth innovative methods of packaging overseas goods
- Peel coating

Outcome

These initiatives have almost eliminated customer complaints pertaining to the relevant product attributes. Besides, the emphasis was top-driven and initiatives have been taken to make necessary changes and alterations and training to the concerned personnel has also been imparted. The actions resulting from these initiatives have been revalidated in the form of re-inspection. The exercises have been repeated in order to ensure that the system is in place and becomes sustainable.

Focus going forward

For us, the measure of quality is the percentage of goods conforming to the specified internal quality assurance norms and SOPs. The basic parameters that the product should meet are appearance norms, dimensional conformances and performance property conformance. Going forward, we will continue to focus on improving these parameters.

BUSINESS EXCELLENCE DRIVERS

Research and development

Overview

At Greenlam Industries, our objective is to develop newer products that are introduced in the international markets, to work on improving the performance properties of our existing products and focus on optimizing the cost of production without compromising on end product performance characteristics.

Highlights, 2016-17

- Some of our new product developments include:
  - Pizza boards
  - Skating and anti-skid boards
  - Veneered compact
  - Thermo-foldable compacts
  - ESD, AFX and HD gloss' commercial introduction
  - Augmented the post formability of HD gloss to a radius as low as 6 mm which is a challenge for the industry
- Continuously revised and revalidated resin formulations as part of ongoing improvements and cost reduction
- Modified resin formulations in order to bring forth higher output that resulted from higher machine speeds

2017-18 focus areas

Some of the new products in the pipeline include:

- Double layered decorative laminates (which have defined water permeability and resistance for 28 days)
- High-density fire retardant compacts using filled Kraft paper for European markets
- Magnetic laminates in marker and chalk variants and newer textures in different sizes
- Work on further cost reduction of existing products

BUSINESS EXCELLENCE DRIVERS

Information technology

Overview

Greenlam Industries has always considered information technology as a serious business objective. At our Company, we fixed the IT budget at 1% of total revenues.

With cutting-edge IT infrastructure, we are providing solutions to our backend, frontend and after-sales through SAP, CRM and customer sales, respectively. The role of IT at Greenlam has transformed from that of being a service provider to a service enabler. At our Company, IT works closely with all relevant stakeholders to increase the overall business efficiency.

Currently, the Company has two distinct streams under IT:

- Frontend (sales employee)
- Backend (finance and operations); currently, our backend is supported by SAP

We incorporated a new CRM during the year under review which will support our sales team. This service is expected to increase the efficiency of our sales force, reinforcing product off-take. CRM is expected to help the backend efficiently process orders and facilitate on-time delivery.

Advantages

- With the help of CRM, we would have better systemic transparency, enabling the right decision at the right time
- Human dependency will decline through CRM
- Sales team can have access to track all sales, thereby enabling achieving targets on time
- Quick notification is sent to the sales team about new launches (with specifications)
- Enables forecasting capabilities

Other highlights

- For GST, we filled the gaps and are now ready to reap the advantages
- Established a customer support and redressal portal to support customer grievances
- Effected SAP authorization audit to keep the system updated; also effected an audit of the Microsoft stack to maintain checks

Outlook

Based on the IT audits, we have prepared our roadmap comprising technology upgradation and also IT revamp.

BUSINESS EXCELLENCE DRIVERS

Human resources

At Greenlam, we embrace several HR-centric initiatives, anchored on building loyalty and engagement. With 1,732 employees on payroll as on March 31, 2017, 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. The Company's average attrition level stood at 11% in 2016-17. Our average age of the employee is about 36 years (excluding plant personnel).

Highlights, 2016-17

- Realigned and consolidated the HR team structure
- Focused on capabilities enhancement through structured interventions, both on the functional and behavioral side
- Started various sessions to improve quality of communication skills and customer-centricity
- Provided exhaustive product training sessions to our sales employees to improve their efficiency
- Commenced several employee-friendly relationship initiatives including structured monthly celebrations, commonness of Family Day Celebration across the country and many more
- Focused on three basic pillars of employee development – skills, knowledge and attitude

Priorities, 2017-18

- Introduce Balance Score Cards at Leadership Level and derive Goals Sheets from the same for all employees to achieve synergy and clarity on job roles

- Focus on skill enhancement – Introduce Sales Academy which will be a structured development approach for all the sales employees
- Leadership Development interventions for Leadership Level and other Behavioral Development interventions for all other employees
- Focus on systems-based compliances for alertness and accountability
- Automation of HR Function to increase efficiency and accuracy levels

Opportunities

- There is a sharp shift towards the organised market from the unorganised market due to innovation in terms of product mix, design.
- With expected implementation of GST from July, 2017, would ensure organised players have an edge over unorganised manufacturers.
- Conducive macroeconomic factors like a fast-growing real estate sector, increasing consumerism, a greater preference for classy home decor products and burgeoning per capita incomes are expected to bode well for the sector.

Threats

- The unorganised segment, which constitutes almost 45% (in terms of value) and 65% (in terms of volume) of the entire laminates industry, erodes competitiveness of the organized branded players because of its ability to price products cheaper.
- Continued increase in cheaper imports of furniture and flooring products from China
- Spiralling raw material costs and the inability of companies to pass this cost increase to consumers on account of high competitive intensity

Our financial performance

The Company's revenues grew by 3.6% to ₹970.44 crore in 2016-17 following an improvement in terms of sales volumes. EBIDTA stood at ₹126.67 crore compared to ₹123.92 crore in the previous year. Interest cost decreased to ₹25.30 crore in 2016-17 compared to ₹27.77 crore. The Company reported a post-tax profit of ₹42.95 crore in 2016-17 compared to a post-tax profit of ₹40.34 crore in the previous year.

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.

Risks and concerns

As a business, though Greenlam is exposed to a number of risks, the Company has evolved certain time-tested initiatives and practices that have enabled it to ring fence its viability and sustainability.

Competition risk	Though the unorganized segment of the market represents a core risk, the proposed implementation of the GST Act is a game-changer for the laminates industry as it will enable a shift to organized constituents of the market. In this scenario, Greenlam enjoys an entrenched brand recall, unparalleled distribution network and a wide bouquet of products across laminates and veneers categories that will enable it to ride the favourable regulations.
Product risk	The Company's products might no longer be relevant for consumers. In fact, this is a virtually minimal risk as laminates and veneers are established surface products whose market has been registering a decent rate of growth in India and also globally. Besides, the huge range of offering under these categories has only grown their appeal among customers.
Brand risk	Brands play an important role in the sales and marketing of laminates and Decorative veneers. In this context, Greenlam Industries has positioned itself as a global brand in the decorative surfacing product market by being one stop solution for all surfacing needs.
Financial risk	For a working capital-intensive industry, prudent fiscal management is important for operational sustainability. In a significant initiative, the Company enforced a stipulated trade credit period. Though applied during the second half of the fiscal 2016-17 it has resulted in significant control over working capital and cash flow, the full impact of this will be evident this year onwards, enabling us to better manage our working capital and cash flow cycle.
Manufacturing and quality risk	At our Company, we operate state-of-the-art manufacturing facilities with documented processes that enable us to manufacture products in compliance with the highest quality standards, cost effectively with maximum resource consumption and minimal wastages. This also makes our operations compliant with all environmental rules and regulations.
Distribution risk	The Company enjoys an FMCG-like distribution network with a presence across India and in 100+ countries around the world. Our supply chain is robust and dynamic, allowing us to meet customer demands with speed and surety.
IT risk	Greenlam possesses state-of-the-art IT infrastructure and support through 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 ensures the contemporariness of systems and processes.

Corporate Governance Report

FOR THE FINANCIAL YEAR 2016-17

As required under Regulation 34(3) read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

1. Company's philosophy on the Code of Governance

The Company has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence.

2. Board of Directors ('Board')

a) **Composition of the Board and Category of Directors:**

As on March 31, 2017, the Board of the Company comprises of 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 under Section 149(1) of the Companies Act, 2013 ('the Act, 2013'). The Company has three woman directors on its Board as of March 31, 2017.

The composition of the Board is in accordance with Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Act, 2013.

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, reimbursement of expenses incurred for attending the Board/Committee meetings and annual commission. All the Independent Directors have satisfied the criteria's of independency as laid down in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act, 2013.

b) **Attendance of each Director at the meeting of the Board of Directors and at the 3rd Annual General Meeting and also the number of other Board of Directors or Committees in which a Director is a member or chairperson:**

During the financial year 2016-17, 4 (four) meetings of Board of Directors were held on May 27, 2016; July 27, 2016; October 18, 2016 and February 07, 2017.

The composition of the Board of the Company and the attendance of each Director at the Board Meetings held during the financial year 2016-17 and at the previous Annual General Meeting ("AGM") i.e. at the 3rd AGM held on August 24, 2016 and also the number of other Boards or Board Committees in which the Directors are member/chairperson as on March 31, 2017 are as follows:

Sl. No.	Name of the Directors and DIN	Category of directorship	No. of Board Meetings		Attendance at the 3rd AGM	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	4	3	Yes	1	1	-	-
2.	Mr. Saurabh Mittal [DIN: 00273917]	Managing Director & CEO-Promoter Director	4	4	Yes	1	8^	-	-
3.	Ms. Parul Mittal [DIN: 00348783]	Director-Design & Marketing - Promoter Director	4	4	No	-	3	-	-
4.	Mr. Vijay Kumar Chopra [DIN: 02103940]	Non-Executive -Independent Director	4	4	Yes	9	2	9	5
5.	Ms. Urvashi Saxena [DIN: 02021303]	Non-Executive -Independent Director	4	3	No	2	-	2	-
6.	Ms. Sonali Bhagwati Dalal [DIN: 01105028]	Non-Executive -Independent Director	4	3	No	2	2	-	-

@ Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee has only been considered.
# Number of Membership also includes Chairmanship held in the Committee(s).
^ Includes Directorships in foreign companies.

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 have only been considered.

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

During the financial year 2016-17, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Board Meetings.

d) **Separate Meeting of Independent Directors:**

During the financial year 2016-17, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on February 07, 2017 whereby, all the Independent Directors were present and without the presence of the Non-Independent Directors and the members of the management of the Company. This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors 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, 2017, none of the Non-Executive Directors was holding any shares or convertible instruments in the Company except Mr. Shiv Prakash Mittal who is holding 5,06,000 equity shares.

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

During the financial year 2016-17, no new Independent Director was appointed on the Board of the Company. However, on an ongoing basis, the Company has conducted the Familiarization program for Independent Directors during the financial year 2016-17. The details for the same have been disclosed on the website of the Company at https://www.greenlamindustries.com/pdf-file/Details%20of%20Familiarization%20Programme%20imparted%20to%20Independent%20Directors%20during%202016-17.pdf

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

Ms. Parul Mittal, Director - Design & Marketing, liable to retire by rotation in the forthcoming Annual General Meeting, offers herself for re-appointment. The details pursuant to Regulation 36(3) of the SEBI Listing Regulations for Ms. Mittal are provided in the Explanatory Statements of the Notice of 4th AGM.

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. Urvashi 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. Annual declaration signed by the Managing Director & CEO of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is attached with the Annual Report.

4. Committees of Board of Directors

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various committees to deal with specific areas/ activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review. Your Company has five Board level committees:

a) Audit Committee
b) Nomination & Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee
e) Operational & Finance Committee

a) Audit Committee

Composition:

As on March 31, 2017, the Audit Committee of the Company, comprises of 4 (four) Directors i.e. 3 (three) Non-Executive Independent Directors and 1 (one) Executive-Promoter Director.

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

During the year under review, the Audit Committee was reconstituted on May 27, 2016 and Mr. Vijay Kumar Chopra was designated as the Chairman of the Audit Committee in place of Ms. Urvashi Saxena with effect from that date.

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 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 Companywith 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 Regulation 32(1) of the 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings and attendance:

During the financial year 2016-17, 4 (four) meetings of the Audit Committee were held on May 27, 2016; July 27, 2016; October 18, 2016 and February 07, 2017. The attendances of Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Vijay Kumar Chopra	Non-Executive Independent Director	4	4
Mr. Saurabh Mittal	Executive-Promoter Director	4	4
Ms. Urvashi Saxena	Non-Executive Independent Director	4	3
Ms. Sonali Bhagwati Dalal	Non-Executive Independent Director	4	3

b) Nomination and Remuneration Committee

Composition:

As on March 31, 2017, the Nomination and Remuneration Committee of the Company comprises of 3 (three) Directors.

Sl. No.	Name of the Committee Members	Category	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:

1. To formulate criteria for:
   a. determining qualifications, positive attributes and independence of a director;
   b. evaluation of Independent Directors and the Board.
2. To devise and recommend policies on:
   a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of the Company;
   b. board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.
3. To identify persons who are qualified to:
   a. become Directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of Directors;
   b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment and removal to the HR Department and to the Board.
4. To carry out evaluation of the performance of every Director of the Company;
5. To 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.
6. To extend or continue the term of appointment of the Independent Director, on the basis of the

report of performance evaluation of Independent Directors.

7. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

Meetings and Attendance:

During the financial year 2016-17, 2 (two) meetings of Nomination and Remuneration Committee were held on May 27, 2016 and October 18, 2016 and the attendances of Members were as follows:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Vijay Kumar Chopra	Non-Executive-Independent Director	2	2
Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	2	1
Ms. Urvashi Saxena	Non-Executive-Independent Director	2	1

Performance evaluation criteria for all the Directors (Including Independent Directors)

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

Remuneration to Directors and Disclosures:

Summary of Remuneration Policy of the Company

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

Remuneration to Directors:

(i) Executive Directors

The details of remuneration including commission to all Executive Directors for the financial year ended March 31, 2017 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	2,04,00,000.00	1,53,00,000.00	20,16,000.00	Nil
Ms. Parul Mittal (Director-Design & Marketing)	Appointed as Director-Design & Marketing for five years w.e.f. November 11, 2014	1,05,00,000.00	1,08,00,000.00	12,60,000.00	Nil

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

The remuneration of the Executive Directors was revised by the Board of Directors at their meeting held on October 18, 2016 based on the recommendation of the Nomination and Remuneration Committee of the Company. Approval of the shareholders of the Company is being sought at the ensuing Annual General Meeting to such revised remuneration.

Out of the above remuneration, the salary, contribution to provident fund and perquisites, if any, are fixed component and the commission is linked with the profitability of the Company. None of the remuneration component is linked to performance of the individual director.

For the purpose of severance fees '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 2016-17 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	2,95,000.00	10,00,000.00	Nil
Ms. Urvashi Saxena	-do-	2,30,000.00	10,00,000.00	Nil
Ms. Sonali Bhagwati Dalal	-do-	2,05,000.00	10,00,000.00	Nil

*excluding applicable service tax

@ The annual commission payable to Independent Directors was revised by the Board of Directors at their meeting held on October 18, 2016. Approval of the shareholders of the Company is being sought at the ensuing Annual General Meeting to such revised commission.

No sitting fee is paid to the Chairman and the Executive Directors for attending the Board Meetings or Committee Meetings thereof. The necessary approvals are 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

c) Stakeholders' Relationship Committee

Composition:

As on March 31, 2017 the Stakeholders' Relationship Committee of the Company comprises of 2 (two) promoter Directors of the Company.

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

Mr. Prakash Kumar Biswal, Company Secretary & Asst. Vice President-Legal 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 re-materialisation 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 the 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 the 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 financial year 2016-17.

Number of complaints:

Received	Resolved	Pending
7	7	Nil

Meetings and Attendance:

During the financial year 2016-17, 2 (two) meetings were held on December 19, 2016 and March 31, 2017 and the attendances of Committee Members were as follows:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	2	2
Mr. Saurabh Mittal	Executive-Promoter Director	2	2

d) Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee of the Company is constituted as per Section 135 of the Act, 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, 2017 the Corporate Social Responsibility Committee of the Company comprises of 4 (four) Directors.

Sl. No.	Name of the Committee Members	Category	Designation
1.	Mr. Saurabh Mittal	Executive-Promoter Director	Chairman
2.	Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	Member
3.	Ms. Parul Mittal	Executive-Promoter Director	Member
4.	Ms. 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:

1 (one) meeting was held on April 18, 2016 and the attendances of Committee Members were as follows:

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

Also, a resolution was passed by the members of Corporate Social Responsibility Committee through circulation on January 17, 2017 in compliance with the provisions of Section 175 of the Act, 2013.

e) Operational & Finance Committee

As on March 31, 2017 the Operational & Finance Committee of the Company comprises of 3 (three) Directors.

Sl. No.	Name of the Committee Members	Category	Designation
1.	Mr. Shiv Prakash Mittal	Non-Executive-Promoter Director	Member
2.	Mr. Saurabh Mittal	Executive-Promoter Director	Member
3.	Ms. Parul Mittal	Executive-Promoter Director	Member

The Committee meets as and when required to consider matters assigned to it by the Board of the Company from time to time.

During the financial year 2016-17, 8 (eight) meetings of the Operational & Finance Committee were held.

5) Subsidiaries

Details of the subsidiaries of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company.

6) General Body Meetings

i. The details of previous three Annual General Meeting (AGM) of the shareholders are as under:

Financial Year	Date of AGM	Venue	Time
2015-16	August 24, 2016 [3rd AGM]	Registered Office at Makum Road, Tinsukia, Assam-786125	9:30 A.M.
2014-15	August 24, 2015 [2nd AGM]	"ROYALIDE", Hotel Royal Highness, G.N.B Road, Tinsukia, Assam-786125	9:30 A.M.
2013-14	October 30, 2014 [1st AGM]	Registered Office at Makum Road, Tinsukia, Assam-786125	9:00 A.M.

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

AGM No.	AGM Date	Details of Special Resolutions passed
3rd	August 24, 2016	Nil
2nd	August 24, 2015	Nil
1st	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 2016-17:** During the financial year 2016-17, no Resolution was passed through postal ballot.

iv. **Person who conducted the Postal Ballot:** Not Applicable

v. **There is no immediate proposal for passing any special resolution through Postal Ballot.**

vi. **Procedure for Postal ballot:** Not Applicable.

7) 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	Ajib Dainik Batori, Dainik Assam, Ajir Asom or Amar Asom (Assamese daily), Economic Times, Business Standard, Mint, Business Line 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

8) General shareholders' information

i.	Date, time and venue of the Annual General Meeting	On Monday, August 21, 2017 at 10.15 a.m. at Registered Office of the Company at Makum Road, Tinsukia, Assam-786125
ii.	Financial Year	Financial year of the Company is from April 01 to March 31. Publication of results for the financial year 2017-18 (tentative and subject to change) a) First quarter results: On or before August 14, 2017. b) Second quarter and half year results: On or before November 14, 2017. c) Third quarter results: On or before February 14, 2018. d) Fourth quarter results and results for the year ending March 31, 2017: On or before May 30, 2018.
iii.	Dates of book closure	From August 15, 2017 to August 21, 2017 (both days inclusive)
iv.	Dividend payment date	Between August 25, 2017 and August 31, 2017
v.	Listing of Equity Shares at Stock Exchanges	BSE Ltd. ("BSE") Floor 25, P. J. Towers, Dalal Street, Fort, Mumbai-400001
		National Stock Exchange of India Ltd. ("NSE") Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051
vi.	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the financial year 2017-18 has been duly paid by the Company.
vii.	Stock Code/Symbol	BSE Scrip Code: 538979 NSE Symbol: GREENLAM

viii. Market price data for each month during the financial year 2016-17:

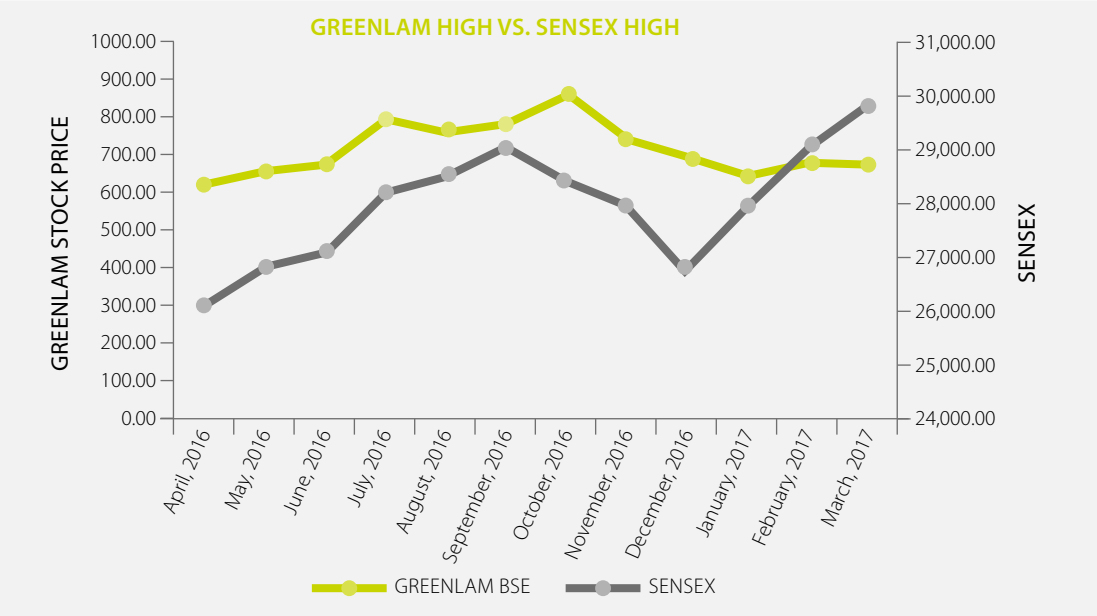
(Amount in ₹)

Month	At BSE		At NSE	
	High	Low	High	Low
April, 2016	625.00	497.90	619.85	495.00
May, 2016	660.00	585.00	651.00	578.00
June, 2016	682.00	600.00	679.90	594.35
July, 2016	800.00	613.50	802.95	611.25
August, 2016	770.00	675.05	755.25	660.20
September, 2016	790.00	661.25	773.95	679.65
October, 2016	865.00	705.00	860.00	708.15
November, 2016	750.00	590.20	764.50	588.20
December, 2016	705.00	500.00	725.00	561.55
January, 2017	649.40	610.00	651.00	590.00
February, 2017	685.70	620.00	699.00	615.00
March, 2017	679.00	630.00	686.00	612.00

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

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

Greenlam Industries Limited share performance:



xi. **Suspension of Securities during the financial year 2016-17:**

During the financial year 2016-17, the securities of the Company were not suspended from trading.

Registrar & Share Transfer Agent ("R&T Agent")	LINK INTIME INDIA PRIVATE LIMITED Contact: Mr. Bharat Bhushan 44, Community Centre, 2nd floor Naraina Industrial Area, Phase-1 Near PVR Naraina, New Delhi-110028 Phone No.: +91-11-41410592 Fax No.: +91-11-41410591 Email: delhi@linkintime.co.in

Share Transfer System	The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. 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 Regulation 40 (9) of the SEBI Listing Regulations for the half year ending September 30, 2016 and March 31, 2017 issued by Mr. Pramod Kumar Pal, Practicing Company Secretary, have been duly submitted to stock exchanges.

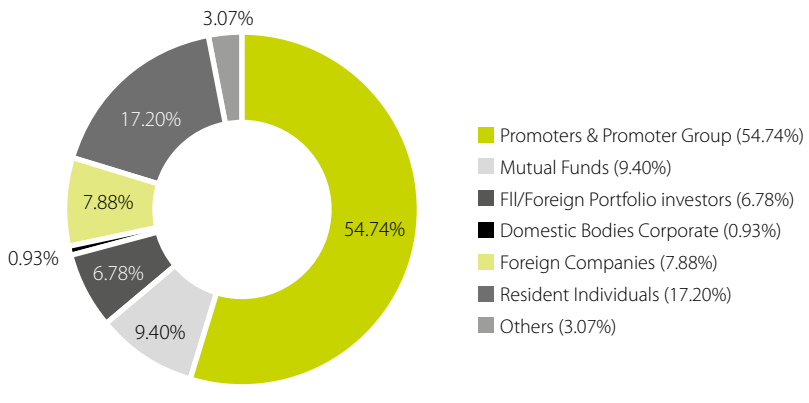
xii. Distribution of equity shareholding as on March 31, 2017:

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	3819	90.41	319473	1.32
501-1,000	166	3.93	122741	0.51
1,001-2,000	99	2.35	136753	0.57
2,001-3,000	39	0.92	95986	0.40
3,001-4,000	19	0.45	67047	0.28
4,001-5,000	14	0.33	65758	0.27
5,001-10,000	22	0.52	161242	0.67
10,001 and above	46	1.09	23167374	95.98
Total	**4224**	**100.00**	**24136374**	**100.00**

xiii. Distribution of shareholding by category as on March 31, 2017 is as given below:

Category of Shareholders	Number of shares	Percentage of shares (%)
Promoters and Promoter Group	1,32,12,628	54.74
Mutual Funds	22,68,516	9.40
FII/Foreign Portfolio Investors	16,36,452	6.78
Domestic Bodies Corporate	2,24,156	0.93
Foreign Companies	19,01,342	7.88
Resident Individuals	41,50,805	17.20
Others	7,42,475	3.07
Total	**2,41,36,374**	**100.00**



Dematerialisation of shares and liquidity	The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE544R01013. Nearly 99.91% of total listed equity shares have been dematerialised as on March 31, 2017.

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

xv. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has significant foreign exchange exposure towards imports, exports, foreign currency assets and liabilities. With respect to managing the foreign exchange risks, the Company hedges the net outstanding of foreign currency exposures on fortnightly basis thereby mitigating the foreign exchange risk. The unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk. Commodity pricing does not have direct bearing but has an indirect bearing on the Company since, some of our chemical consumption is linked to crude prices. The Company maintains a policy of hedging its 60 days of consumption by doing forward buying.

xvi. Corporate Identity Number (CIN) :

L21016AS2013PLC011624

xvii. Plant locations:

- E-176 - 179, RIICO Industrial Estate, Phase II, P.O. Behror, Dist. Alwar, Rajasthan-301701
- Village Paterh Bhonku, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh-174101

xviii. Address for correspondence

Registrar: **Link Intime India Private Limited**
Contact: **Mr. Bharat Bhushan**
44, Community Centre, 2nd floor
Naraina Industrial Area, Phase-1
Near PVR Naraina, New Delhi-110028
Phone No.: +91-11-41410592
Fax No.: +91-11-41410591
Email: delhi@linkintime.co.in

Company: **Greenlam Industries Limited**
Contact: **Mr. Prakash Kumar Biswal,**
Company Secretary & Asst. Vice President - Legal
1501-05, Narain Manzil,
23, Barakhamba Road, New Delhi-110001
Phone No.: +91-11-42791399
Fax No.: +91-11-42791330
Email: investor.relations@greenlam.com

xix. Unclaimed Equity Dividend:

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 125 the Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. The details of unclaimed dividend as on March 31, 2017 are as follows:

Sl. No.	Financial Year	Date of Declaration	Dividend per share (₹)	Date of transfer to Unpaid Dividend Account	Amount outstanding as on 31.03.2017 (₹)	Due date for transfer to IEPF
1.	2015-16	24.08.2016	1.00	30.09.2016	23,583.00	30.09.2023
2.	2014-15	24.08.2015	0.50	03.09.2015	10,840.50	30.09.2022

Members who have not encashed their dividend warrants for the above financial years/period may approach the Company for obtaining duplicate dividend warrants/revalidation of dividend warrants.

9. Other Disclosures

a) 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 Statements.

b) The Financial Statements have been made in accordance with the Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.

c) There is no case of 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.

d) The Company has in place Vigil Mechanism/Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.

e) The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Act, 2013.

f) The Policy for determining material subsidiaries is disclosed on the website of the Company and can be accessed at http://www.greenlamindustries.com/pdf-file/Policy_for_determining_Material_Subsidiaries.pdf

g) 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

h) The Disclosure of Commodity Price Risks and Commodity Hedging Activities:

Commodity pricing does not have direct bearing but has an indirect bearing on the Company since some of our chemical consumption is linked to crude prices. The Company maintains a policy of hedging its 60 days of consumption by doing forward buying.

i) Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

The Company has complied with the discretionary requirements with regard to reporting of Internal Auditor directly to Audit Committee, moving towards a regime of unqualified Financial Statements and unmodified audit opinion and separating the post of Chairman and Managing Director/Chief Executive Officer.

j) In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

k) All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

l) In order to prevent misuse of any unpublished price sensitive information (UPSI), maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading Practice. The said Code prohibits the Directors, KMPs and connected persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at www.greenlamindustries.com.

10. The Company has complied with the applicable requirement specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Compliance Certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the same is annexed to this report.

12. Disclosures with respect to demat suspense account/unclaimed suspense account

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 10,277 shares of 72 shareholders returned undelivered to Registrar & Share Transfer Agent of the Company.

During the financial year 2016-17, the Company/ R&T Agent pursuant to Regulation 39(4) read with Schedule of the SEBI Listing Regulations had sent three reminders to the concerned members on May 25, 2016; June 30, 2016 and August 18, 2016 respectively at their respective address registered with the Company. Subsequently, 806 equity shares were claimed and the relevant shares certificates were given to the respective shareholders after proper verification of the identity of the claimant.

Thereafter, the Company has opened an Unclaimed Suspense Account, i.e. 'Greenlam Industries Limited-Unclaimed Suspense Account' with Julius Baer Wealth Advisors (India) Private Limited and 9,471 unclaimed equity shares of 67 shareholders lying with the Company have been dematerialized and credited to 'Greenlam Industries Limited-Unclaimed Suspense Account'. The voting rights on the unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

(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 the Company 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:** 9,471 equity shares of 67 shareholders

(e) **Aggregate number of shares on which voting rights shall remain frozen till the rightful owner of such shares claims the shares:** 9,471 equity shares

On behalf of the Board of Directors

Shiv Prakash Mittal
Non-Executive Chairman
[DIN: 00237242]

Place: New Delhi
Date: May 25, 2017

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, 2017 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 25, 2017

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, 2017.

Saurabh Mittal
Managing Director & CEO
[DIN: 00273917]

Place: New Delhi
Dated: May 25, 2017

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, 2017, 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, 2017, 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 25, 2017

Dindayal Dhandaria
Partner
Membership No. 010928

FINANCIAL SECTION

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 2017, 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 31March 2017, 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' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 B".

(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.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and the same are in accordance with books of accounts maintained by the Company and as produced to us by the Management. (Refer note no. 42)

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

Place of Signature: New Delhi
Date : 25th May, 2017

Annexure 'A' 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 2017	Net Block As on 31st March 2017
1	One Office Premises	₹ 286.98 Lacs	₹ 230.44 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 not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("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 (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Rajasthan VAT Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	58.95	FY 2003 - 2004	Tax Board, Ajmer
Rajasthan VAT Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	47.55	FY 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
Central Excise Act, 1944	Excise Duty on Plastic Scrap	22.32	June 2009 to Dec 2012	Before Joint Commissioner, Chandigarh
Central Excise Act, 1944	Excise duty on Wages Subsidy	10.87	April 2011- Sep 2014	Before Commissioner (Appeals), Jaipur

(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) Subject to the approval of the shareholders, the Board of Directors resolved to increase the managerial remuneration with effect from 1st October, 2016. Accordingly, the Company has paid/ provided an additional sum of ₹106.62 lacs which, in the event of non-approval by shareholders would be adjusted against commission due to them. Except this, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of 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
Date : 25th May, 2017

Annexure 'B' to the Independent Auditor's Report of even date on the Financial Statements of Greenlam Industries Limted

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, 2017 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, 2017, 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, 2017, 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 25th May, 2017 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
Date : 25th May, 2017

Balance Sheet as at 31st March 2017

₹ in Lacs

	Note No.	As at 31st March, 2017		As at 31st March, 2016	
EQUITY AND LIABILITIES:					
Shareholders' Funds :					
Share Capital	1	1206.82		1206.82	
Reserves and Surplus	2	29101.47		25242.30	
			30308.29		26449.12
Non-current Liabilities :					
Long-Term Borrowings	3	9543.21		13465.66	
Deferred Tax Liabilities (Net)	4	2406.96		2597.54	
Other Long Term Liabilities	5	159.01		162.51	
Long-Term Provisions	6	1248.98		912.93	
			13358.16		17138.64
Current Liabilities					
Short-Term Borrowings	7	2999.63		8823.30	
Trade Payables	8	18145.31		18284.32	
Other Current Liabilities	9	6421.29		5695.63	
Short-Term Provisions	10	501.67		342.21	
			28067.90		33145.46
TOTAL :			**71734.35**		**76733.22**
ASSETS :					
Non-current Assets					
Fixed Assets :	11				
Tangible Assets		32469.97		33554.49	
Intangible Assets		330.45		278.53	
Capital Work-in-Progress		535.53		395.28	
		33335.95		34228.30	
Non-current Investments	12	2410.96		2410.96	
Long Term Loans and Advances	13	490.72		1376.85	
Other Non-current Assets	14	40.25		53.08	
			36277.88		38069.19
Current Assets					
Inventories	15	20557.60		20737.53	
Trade Receivables	16	10661.51		12594.69	
Cash and Bank Balances	17	515.35		97.90	
Short Term Loans and Advances	18	3696.99		5211.94	
Other Current Assets	19	25.02		21.97	
			35456.47		38664.03
TOTAL :			**71734.35**		**76733.22**
Significant Accounting Policies					
See Accompanying Notes to the Financial Statements	1 to 44				

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928
Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lacs

	Note No.	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
INCOME:					
Sale of Products			97500.07		94411.91
Other Operating Revenue			3597.92		3595.19
			101097.99		98007.10
Less : Central Excise Duty			4053.59		4336.61
Revenue from Operations	21		97044.40		93670.49
Other Income	22		284.77		141.73
Total Revenue			**97329.17**		**93812.22**
EXPENSES:					
Cost of Materials Consumed	23		53843.70		51049.71
Purchase of Stock in Trade	24		1179.65		613.42
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	25		(1362.46)		119.40
Employees Benefits Expense	26		12367.80		10432.89
Finance Costs	27		2530.05		2776.69
Depreciation and Amortisation Expense	28		3360.78		3151.25
Other Expenses	29		18348.55		19063.15
Loss due to Fluctuation in Foreign Exchange Rates			332.41		106.70
Total Expenditure			**90600.48**		**87313.21**
Profit before Tax			**6728.69**		**6499.01**
Tax Expense					
Current Tax		1705.63		1406.77	
Add/ (Less) : Mat Credit Entitlement		855.50		(94.48)	
		2561.13		1312.29	
Income Tax For Earlier Year		63.22		-	
Deferred Tax		(190.58)	2433.77	1152.94	2465.23
Profit for the Year			**4294.92**		**4033.78**
Earnings per Equity Share of face value of ₹ 5 each	30				
Basic (in ₹)			**17.79**		**16.71**
Diluted (in ₹)			**17.79**		**16.71**
Significant Accounting Policies					
See Accompanying Notes to the Financial Statements	1 to 44				

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

Cash Flow Statement for the year ended 31st March 2017

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Profit before Taxation, and Extraordinary items		6728.69		6499.01
Add:				
a) Depreciation & Amortisation Expense	3360.78		3151.25	
b) Finance Costs	2530.05		2776.69	
c) Loss on Sale / Discard of Fixed Assets	6.75		28.68	
d) Unrealised Foreign Exchange Fluctuations	50.59		(29.80)	
e) Provision for Doubtful Debts	135.93		92.68	
f) Investment Written off	-		1.00	
g) Miscellaneous Expenditure written off	25.02		21.97	
		6109.12		6042.47
		12837.81		12541.48
Less: Interest Income		115.96		76.50
Operating Profit before Working Capital Changes		12721.85		12464.98
Less:				
Increase in Trade and Other Receivables	(1910.92)		(110.74)	
Increase in Inventories	(179.93)		1927.52	
Decrease in Trade Payables	(143.71)		(1652.90)	
		(2234.56)		163.88
Cash Inflow (+)/Outflow (-) from Operations		14956.41		12301.10
Less: Income Tax Paid		1289.32		1283.07
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		**13667.09**		**11018.03**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
OUTFLOW				
a) Acquisition of Fixed Assets	2534.63		5062.04	
b) Interest amount Capitalised	-		175.21	
c) Investment	-		667.43	
d) Loan to Subsidiary	-		950.85	
		2534.63		6855.53
Less : INFLOW				
a) Sale of Fixed Assets	30.44		37.95	
b) Interest Received	115.96		80.62	
c) Loan Refund from Subsidiary	949.54		-	
		1095.94		118.57
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		**(1438.69)**		**(6736.96)**

Cash Flow Statement *(contd.)* for the year ended 31st March 2017

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Proceeds from Long Term Borrowings	-		7550.00	
b) Short Term Borrowings (Net)	(5823.67)		(479.84)	
c) Deferred Payment Liabilities (Net)	(28.57)		(29.62)	
		(5852.24)		7040.54
DEDUCT : OUTFLOW				
a) Miscellaneous Expenditure	15.24		47.27	
b) Repayment of Long Term Borrowings	3124.45		8499.06	
c) Interest Paid	2530.05		2776.69	
d) Dividend & Corporate Dividend Tax Paid	290.50		145.25	
		5960.24		11468.27
Net Cash Inflow in course of Financing Activities		**(11812.48)**		**(4427.73)**
Net Increase (+) / Decrease in Cash/Cash Equivalents		**415.92**		**(146.66)**
Add : Balance at the beginning of the year		57.26		203.92
Cash / Cash Equivalents at the close of the Year		**473.18**		**57.26**

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

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.

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.

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.

1.12.01 **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 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.

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 2017

1. SHARE CAPITAL

	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹ in Lacs	Number	₹ in Lacs
1.1 Authorised				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
1.2 Issued, Subscribed and Fully Paid up				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
1.3 The reconciliation of the number of shares outstanding				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	-	-	-	-
Total	**24136374**	**1206.82**	**24136374**	**1206.82**

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 ₹1.50 (Previous year ₹1.00)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

1.5 Name of the Shareholders holding more than 5% Shares

	As at 31st March, 2017		As at 31st March, 2016	
	Number	%	Number	%
EQUITY SHARES				
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Saurabh Mittal	3206534	13.29%	3306534	13.70%
Greenply Leasing & Finance Pvt Ltd	2724481	11.29%	2724481	11.29%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
Ashish Dhawan	1680969	6.96%	2032969	8.42%
Westbridge Crossover Fund LLC	1901342	7.88%	1901342	7.88%
HDFC Trustee Company Ltd	1779376	7.37%	1826049	7.57%
Jwalamukhi Investment Holdings *	1281634	5.31%		

* Comparative figure are not given as % 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:

i. Allotted 2,42,36,374 equity shares as fully paid and cancelled 1,00,000 equity shares pursuant to Scheme of Arrangement without payment being received in cash.

ii. Not allotted fully paid up shares by way of bonus shares

iii. Not bought back any class of shares.

Notes on Financial Statements for the year ended 31st March 2017

2. RESERVES AND SURPLUS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Capital Reserve				
Balance as per last Financial Statements	-	15333.48	-	15333.48
General Reserve				
Balance as per last Financial Statements	500.00		100.00	
Add: Transferred from Statement of Profit and Loss	500.00		400.00	
		1000.00		500.00
Surplus, i.e. balance in Statement of Profit and Loss				
Balance as per last Financial Statements	9408.82		6065.54	
Add : Profit for the year	4294.92		4033.78	
Less : Transferred to General Reserve	500.00		400.00	
Less : Proposed Dividend on Equity Shares	362.05		241.36	
[Dividend Per Share ₹1.50 (Previous year ₹1.0)]				
Less : Tax on Distribution of Proposed Dividend	73.70		49.14	
		12767.99		9408.82
Total		**29101.47**		**25242.30**

3. LONG-TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2017			As at 31st March, 2016		
Secured						
Term Loans						
From Banks						
Foreign Currency Loans		1539.64			2614.41	
Rupee Loans		11870.00			13950.00	
		13409.64			16564.41	
Less : Current maturities of Long Term Borrowings		3866.43			3125.76	
			9543.21			13438.65
Deferred Payment Liabilities		27.01			54.02	
Less: Current maturities of Deferred Payment Liabilities		27.01			27.01	
			-			27.01
			9543.21			13465.66
Unsecured						
Term Loans						
From Banks						
Rupee Loans	-			-		
Less : Current maturities of Long Term Borrowings	-	-		-	-	
Deferred Payment Liabilities	-			1.56		
Less: Current maturities of Deferred Payment Liabilities	-	-		1.56	-	
			-			-
Total			**9543.21**			**13465.66**

Notes on Financial Statements for the year ended 31st March 2017

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

3.1 Term Loans of ₹13409.64 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 Terms Loans

₹ in Lacs

	Rate of Interest	Repayment Schedule				
		2017-18*	2018-19	2019-20	2020-21	2021-22
Term Loans from Banks						
Secured						
6 Quarterly Installments	4.37%	1026.43	513.21	-	-	-
16 Quarterly Installments	8.30%	1000.00	1000.00	1000.00	1250.00	-
16 Quarterly Installments	8.95%	400.00	400.00	400.00	250.00	-
13 Quarterly Installments	8.75%	840.00	1455.00	1660.00	415.00	-
16 Quarterly Installments	8.95%	600.00	600.00	600.00	-	-
		3866.43	**3968.21**	**3660.00**	**1915.00**	**-**
Deferred Payment Liabilities						
Secured	10.25%	27.01	-	-	-	-

* 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, 2017	As at 31st March, 2016
DEFERRED TAX LIABILITIES :		
Depreciation	2406.71	2291.72
Others	855.61	901.70
	3262.32	3193.42
LESS : DEFERRED TAX ASSETS :		
Provision for Gratuity/Liabilities	855.36	595.88
Total	**2406.96**	**2597.54**

5. OTHER LONG TERM LIABILITIES

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Others		
Security Deposits from Customers	159.01	162.51

6. LONG TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Provisions for Employee Benefits (unfunded)				
For Gratuity		827.95		627.10
For Leave Encashment		421.03		285.83
Total		**1248.98**		**912.93**

7. SHORT TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Secured				
Loans Repayable on Demand				
Working Capital Loans				
From Banks				
Rupee Loans		2999.63		6841.17
Unsecured				
Other Loans and advances				
From Banks				
Foreign Currency Loan - Buyers' Credit	-		1982.13	
		-		1982.13
Total		**2999.63**		**8823.30**

7.1 Working Capital Loans of ₹2999.63 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, 2017		As at 31st March, 2016	
Dues to Micro and Small Enterprises (Refer Note No. 38)		-		-
Dues to Other than Micro and Small Enterprises		18145.31		18284.32
Total		**18145.31**		**18284.32**

9. OTHER CURRENT LIABILITIES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Current maturities of Long Term Borrowings*		3866.43		3125.76
Current maturities of Deferred Payment Liabilities*		27.01		28.57
Interest Accrued but not due on borrowings		77.53		40.34
Advance from Customers		451.99		426.10
Unpaid Dividend		0.34		0.11
Statutory Dues		1997.99		2074.75
Total		**6421.29**		**5695.63**

* 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 2017

10. SHORT TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits (unfunded)		
Gratuity	25.49	27.01
Leave Salary	40.43	24.70
Proposed Dividend		
Equity Shares	362.05	241.36
Tax on Distribution of Proposed Dividend	73.70	49.14
Total	**501.67**	**342.21**

11. FIXED ASSETS

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As At 01/04/16	Addition During The Year	Deduction During The Year	Total As At 31/03/17	Upto 01/04/16	For The Year	Adjustment For Deductions	Total As At 31/03/17	As At 31/03/17	As At 31/03/16
OWN ASSETS										
Tangible Assets										
Freehold Land	1095.53	-	-	1095.53	-	-	-	-	1095.53	1095.53
Leasehold Land	1575.28	50.83	-	1626.11	45.73	21.09	-	66.82	1559.29	1529.55
Land Development	603.11	-	-	603.11	6.79	4.11	-	10.90	592.21	596.32
Buildings	12131.36	579.79	-	12711.15	1756.51	431.06	-	2187.57	10523.58	10374.85
Plant and Equipments	31712.26	1209.22	26.43	32895.05	13500.38	2425.98	24.46	15901.90	16993.15	18211.88
Furniture and Fixtures	1369.20	95.39	36.10	1428.49	481.86	151.81	29.26	604.41	824.08	887.34
Vehicles	724.07	211.14	154.92	780.29	380.72	99.59	128.62	351.69	428.60	343.35
Heavy Vehicles	12.92	1.39	-	14.31	12.14	0.21	-	12.35	1.96	0.78
Office Equipments	1069.73	70.80	20.29	1120.24	554.84	132.04	18.21	668.67	451.57	514.89
Sub Total	**50293.46**	**2218.56**	**237.74**	**52274.28**	**16738.97**	**3265.89**	**200.55**	**19804.31**	**32469.97**	**33554.49**
Intangible Assets										
Trademarks	68.58	-	-	68.58	68.58	-	-	68.58	-	-
Computer Software	407.48	146.81	-	554.29	128.95	94.89	-	223.84	330.45	278.53
Technical Knowhow	304.23	-	-	304.23	304.23	-	-	304.23	-	-
Sub Total	**780.29**	**146.81**	**-**	**927.10**	**501.76**	**94.89**	**-**	**596.65**	**330.45**	**278.53**
Capital Work In Progress	395.28	553.41	413.16	535.53	-	-	-	-	535.53	395.28
Total	**51469.03**	**2918.78**	**650.90**	**53736.91**	**17240.73**	**3360.78**	**200.55**	**20400.96**	**33335.95**	**34228.30**
Previous Period Total	**46259.39**	**6306.62**	**1096.98**	**51469.03**	**14198.45**	**3151.99**	**109.71**	**17240.73**	**34228.30**	**-**

11.1 Addition to Plant and Equipments includes loss/(gain) of ₹ (17.07) lacs (Previous year ₹185.56 lacs) on account of fluctuation in Foreign Exchange Rates.

11.2 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹175.21 lacs), included in tangible assets ₹ Nil (Previous year ₹175.21 lacs).

12. NON-CURRENT INVESTMENTS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Investments in Equity Instruments (at Cost)				
Trade				
Unquoted, Fully Paid up				
Subsidiaries				
Greenlam Asia Pacific PTE Ltd - Equity Shares of US$ 1 each	2778865	1670.74	2778865	1670.74
Greenlam America Inc. - Equity Shares of US$ 1 each	1600000	740.22	1600000	740.22
Greenlam Europe (UK) Ltd.- Equity Shares of GBP 1 each	1	0.00	1	0.00
[₹82 (Previous year ₹82)]				
Total		**2410.96**		**2410.96**
Aggregate amount of Unquoted Investments		**2410.96**		**2410.96**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Capital Advances	177.74	153.97
Security Deposits	312.98	272.03
Loans and Advances to a related party (refer note 32.2)	-	950.85
Total	**490.72**	**1376.85**

14. OTHER NON-CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Expenses pertaining to Scheme of Arrangement	38.15	48.55
Preliminary Expenses	-	0.33
Fees for Increase in Authorised Capital	2.10	4.20
Total	**40.25**	**53.08**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	11680.72	13172.16
[including at Customs Warehouse ₹128.53 lacs (Previous year ₹1110.67 lacs)]		
Stock in Process	2898.86	1616.53
Finished Goods	4799.37	4863.97
[including in Transit ₹955.29 lacs (Previous year ₹641.50 lacs)]		
Stock In Trade	330.79	186.06
Certified Emission Reductions (CER)	8.68	8.68
Stores & Spares	839.18	890.13
Total	**20557.60**	**20737.53**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
15.1 Details of Closing Stock of Raw Materials		
Paper	7358.06	8120.57
Veneer	2021.61	2419.82
Chemicals	1004.98	1039.69
Plywood, Particle Board & MDF	721.26	1167.59
Cubicle Hardware & Rivets	321.31	257.21
Particle Board Core & Pine Wood	253.50	167.28
Total	**11680.72**	**13172.16**
15.2 Details of Closing Stock of Goods-in-Process		
Timber	20.28	21.34
Decorative Laminates	175.64	118.03
Decorative Veneers	1039.37	545.35
Chemicals	108.73	72.80
Paper	497.52	298.15
Flooring Planks	1057.32	560.86
Total	**2898.86**	**1616.53**
15.3 Details of Closing Stock of Finished Goods		
Decorative Laminates	4170.71	3960.02
Decorative Veneers	258.16	490.04
Engineered Wood Flooring	300.04	383.36
Melamine Faced Chipboards	8.44	7.03
Engineered Door Sets & Door Leaf	62.02	23.52
Total	**4799.37**	**4863.97**
15.4 Details of Closing Stock of Stock in Trade		
Engineered Wood Flooring and Accessories	169.65	169.24
Decorative Laminates	161.14	16.82
Total	**330.79**	**186.06**
	Numbers	**Numbers**
15.5 CERs held in inventory	59864	59864

16. TRADE RECEIVABLES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Outstanding for a period exceeding six months from date due for payment				
Secured, considered good	-		-	
Unsecured, considered good	872.76		479.86	
Unsecured, considered doubtful	264.32		128.39	
	1137.08		608.25	
Less : Provision for Doubtful Trade Receivables *	264.32		128.39	
		872.76		479.86
Other debts				
Secured, considered good	106.37		172.24	
Unsecured, considered good	9682.38		11942.59	
		9788.75		12114.83
Total		**10661.51**		**12594.69**

* as estimated by the Management

17. CASH & BANK BALANCES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
17.1 Cash & Cash Equivalents				
Balances with Banks		460.02		45.35
Balances with Banks - unpaid dividend		0.34		0.11
Cash on Hand		12.82		11.80
		473.18		**57.26**
17.2 Other Bank Balances				
Term Deposits with Banks				
(Receipts pledged with banks & others as security deposits)				
Maturity within 12 months		42.17		40.64
Total		**515.35**		**97.90**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Loans and Advances to a related party (refer note 32.2)	-	1.04
Advance to Staff & Workers	137.28	113.53
Advance against Purchases	305.15	257.09
Service Tax Input Credit Receivable	177.48	228.19
Balance with Central Excise Authorities	325.97	405.07
Advance Payment of Income Tax (Less Provision)	15.68	475.67
MAT Credit Entitlement	-	875.04
Advance Payment of Sales Tax (including unavailed VAT input credit)	254.29	177.07
Export Incentive Receivable	1990.02	2296.88
Prepaid Expenses	399.09	287.24
Insurance Claim Receivable	92.03	95.12
Total	**3696.99**	**5211.94**

19. OTHER CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Expenses pertaining to Scheme of Arrangement	22.59	19.55
Fees for Increase in Authorised Capital	2.10	2.10
Preliminary Expenses	0.33	0.32
Total	**25.02**	**21.97**

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 ₹2691.88 lacs (Previous year ₹2770.15 lacs).

Notes:

i) 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.

ii) The company does not expect any reimbursements in respect of the above contingent liabilities

iii) 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:

a. Letter of credit established but material not received amounting to ₹3494.66 lacs (Previous year ₹2644.35 lacs).

b. Counter-Guarantees given to banks for Stand-by Letter of Credit (SBLC) facility ₹2758.98 lacs (Previous Year ₹3600.76 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 9.40 lacs, USD 10.00 lacs and GBP 10 lacs respectively equivalent to ₹2069.74 lacs (Previous year ₹3556.51 lacs) translated at year-end exchange rate.

c. Gurantee given to Banks in respect of loans to its subsidiary USD 100.00 lacs & SGD 15.07 lacs (Previous Year USD 160.00 lacs & SGD 15.07 lacs) equivalent to ₹7203.00 lacs (Previous Year ₹11338.60 lacs), transaleted at year-end exchange rate.

d. Gurarantee/Letter of Assurance given to Banks for Bills discounting facility (Channel Financing) ₹2400.00 lacs (Previous Year ₹2750.00 lacs) and outstanding amount under this Bills Discounting facillity ₹1793.27 lacs (Previous Year ₹760.28 lacs)

20.2 Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹2348.85 lacs (Previous year ₹603.92 lacs)

b. Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil)

c. Other commitments ₹ Nil (Previous year ₹ Nil)

21. REVENUE FROM OPERATIONS

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Sale of Products		97500.07		94411.91
Other Operating Revenue				
Export Incentive Received	3537.11		3454.81	
Insurance Claim Received	60.81	3597.92	140.38	3595.19
		101097.99		98007.10
Less : Central Excise Duty		4053.59		4336.61
Total		**97044.40**		**93670.49**

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

	As at 31st March, 2017		As at 31st March, 2016	
Decorative Laminates		80833.69		77694.30
[including exports ₹33190.02 lacs (Previous year ₹32504.95 lacs)]				
Decorative Veneers		12075.91		13691.54
[including exports ₹15.53 lacs (Previous year ₹24.77 lacs)]				
Engineered Wood Flooring		2014.19		1828.55
[including exports ₹1.97 lacs (Previous year ₹50.54 lacs)]				
Melamine Faced Chipboards		683.30		492.18
Engineered Door Sets & Door Leaf		1082.34		111.86
[including exports ₹576.21 lacs (Previous year ₹41.10 lacs)]				
Others		810.64		593.48
[including exports ₹6.57 lacs (Previous year ₹2.82 lacs)]				
Total		**97500.07**		**94411.91**

22. OTHER INCOME

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Interest Income		115.96		76.50
Liabilities no longer required written back		45.72		34.01
Miscellaneous Income		123.09		31.22
Total		**284.77**		**141.73**

23. COST OF MATERIALS CONSUMED

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Paper		30796.28		28856.69
Timber		304.59		226.45
Veneer		3177.45		3258.24
Chemicals		15391.21		14049.97
Plywood, Particle Board and MDF		3669.65		4129.07
Hardware and Accessories		504.52		529.29
Total		**53843.70**		**51049.71**
	(%)		(%)	
Imported	62%	33319.74	60%	30620.75
Indigenous	38%	20523.96	40%	20428.96
Total	**100%**	**53843.70**	**100%**	**51049.71**

23.1 Cost of Materials Consumed includes cost of materials sold ₹641.84 lacs (Previous year ₹418.28 lacs)

24. PURCHASE OF STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Decorative Veneers		241.39		68.48
Decorative Laminates		821.13		448.73
Engineered Wood Flooring and Accessories		117.13		96.21
Total		**1179.65**		**613.42**

25. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
OPENING STOCK				
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
CLOSING STOCK				
Finished Goods	4799.37		4863.97	
Stock in Trade	330.79		186.06	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	2898.86	8037.70	1616.53	6675.24
Total		**(1362.46)**		**119.40**

26. EMPLOYEES BENEFITS EXPENSE

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salary, Wages and Bonus	11549.37	9691.75
Contribution to Provident Fund & Employees' State Insurance	530.53	458.45
Employees' Welfare Expenses	287.90	282.69
Total	**12367.80**	**10432.89**

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, 2017	For the year ended 31st March, 2016
a)	**Net Employee Expense/(benefit):**		
	Current service cost	127.74	107.42
	Interest cost on benefit obligation	52.33	38.48
	Expected return on plan assets	-	-
	Net Actuarial (gains)/losses recognised in the year	60.52	48.95
	Total employer expenses	**240.59**	**194.85**
b)	**Actual return on plan assets**	-	-
c)	**Benefit Asset / (Liability):**		
	Fair Value of Plan Assets	-	-
	Defined benefit obligation	853.44	654.11
	Benefit Asset / (Liability)	**(853.44)**	**(654.11)**
d)	**Movement in benefit liability:**		
	Opening defined benefit obligation	654.11	496.56
	Interest cost on benefit obligation	52.33	38.48
	Current service cost	127.74	107.42
	Actuarial (gains) / losses	60.52	48.95
	Less: Benefits paid	(41.26)	(37.30)
	losing benefit obligation	**853.44**	**654.11**
e)	**Actuarial assumptions:**		
	Mortality Table	IALM 2006-2008	IALM 2006-2008
	Discount Rate (per annum)	7.37%	8.00%
	Expected rate of return on plan assets (per annum)	-	-
	Rate of escalation in salary (per annum)	5.50%	6.00%
	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%

26. EMPLOYEES BENEFITS EXPENSE *(contd.)* ₹ in Lacs

iv) Employee Leave Benefit Calculations

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
a) Net Employee Expense/(benefit):		
Current service cost	101.63	74.13
Interest cost on benefit obligation	24.84	21.96
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	115.29	19.19
Total employer expenses	**241.76**	**115.28**
b) Actual return on plan assets	-	-
c) Benefit Asset / (Liability):		
Fair Value of Plan Assets	-	-
Defined benefit obligation	461.47	310.54
Benefit Asset / (Liability)	**(461.47)**	**(310.54)**
d) Movement in benefit liability:		
Opening defined benefit obligation	310.54	283.32
Interest cost on benefit obligation	24.84	21.96
Current service cost	101.63	74.13
Actuarial (gains) / losses	115.29	19.19
Less: Benefits paid	(90.83)	(88.06)
Closing benefit obligation	**461.47**	**310.54**
e) Actuarial assumptions:		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	7.37%	8.00%
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.50%	6.00%
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 ₹451.89 lacs (Previous Year ₹394.69 lacs).

27. FINANCE COSTS ₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expense	2435.15	2619.08
Other Borrowing Cost	94.90	157.61
Total	**2530.05**	**2776.69**

27.1 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹175.21 lacs). (Refer Note No. 11.2)

Notes on Financial Statements for the year ended 31st March 2017

28. DEPRECIATION & AMORTISATION EXPENSE

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation Expense	3240.69	3048.90
Amortisation Expense	120.09	103.09
	3360.78	3151.99
Less : Transfer to Pre-Operative Expenses	-	0.74
Total	**3360.78**	**3151.25**

29. OTHER EXPENSES

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of stores and spares	861.76	609.04
Power & Fuel	2673.91	2710.52
Rent	693.18	618.96
Repairs to buildings	61.69	79.32
Repairs to machinery	813.00	583.62
Insurance	182.76	207.02
Rates and taxes	234.86	687.92
Travelling expenses	1125.42	975.03
Freight & delivery expenses	2732.91	2732.21
Export Expenses	2337.49	2159.51
Advertisement & Sales promotion	3460.43	4737.53
Auditors' Remuneration	17.37	17.32
Secretarial Auditor's Remuneration	1.01	1.00
Expenditure on CSR Activities	67.76	70.11
Bank Charges	32.11	57.94
Provision for Doubtful Debts	135.93	92.68
Investment written off	-	1.00
Loss on Sale / Discard of Assets	6.75	28.68
Directors' Sitting Fees *	8.39	9.57
Independent Directors' Commission *	34.50	25.76
Miscellaneous Expenditure written off	25.02	21.97
Other General Expenses	2842.30	2636.44
Total	**18348.55**	**19063.15**

* Inclusive of Service tax

29.1 CONSUMPTION OF STORES AND SPARES

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Imported	83.13	93.50
Indigenous	778.63	515.54
Total	**861.76**	**609.04**

29.2 AUDITORS' REMUNERATION

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
As Auditors		15.58		15.58
For other services		1.79		1.74
Total		**17.37**		**17.32**

Note : Fees are exclusive of cenvatable service tax

29.3 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
(a) Gross Amount required to be spent by the Company during the year		67.47		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		38.98		34.00
- Contribution towards Education of Orphan Girl Child		22.77		36.11
- Contribution towards promotion of education, health and livelihood.		6.01		-
		67.76		**70.11**

30. EARNINGS PER SHARE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Calculation of weighted average number of equity shares of ₹5 each				
No of Shares at the beginning of the year		24136374		24136374
Total number of equity shares outstanding at the end of the year		24136374		24136374
Weighted average number of equity shares outstanding during the year		24136374		24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	4294.92		4033.78
BASIC EARNINGS PER SHARE	₹	**17.79**		**16.71**
Total no of Shares including pending allotment at the beginning of the year		24136374		24136374
Total no. of equity shares including pending allotement outstanding at the end of the year		24136374		24136374
Weighted average number of equity shares outstanding during the year		24136374		24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	4294.92		4033.78
DILUTED EARNINGS PER SHARE	₹	**17.79**		**16.71**

Notes on Financial Statements for the year ended 31st March 2017

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, 2017

Information about Business Segments - Primary

₹ in Lacs

Reportable Segment	Laminate & Allied Products		Veneer & Allied Products		Un Allocated		Total	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE								
External Sales	82053.18	78678.83	15446.89	15733.08	-	-	97500.07	94411.91
Inter-segment Sales	-	-	-	-	-	-	-	-
Gross Sales	82053.18	78678.83	15446.89	15733.08	-	-	97500.07	94411.91
Less : Excise Duty	2407.74	2536.98	1645.85	1799.63	-	-	4053.59	4336.61
Net Sales	**79645.44**	**76141.85**	**13801.04**	**13933.45**	**-**	**-**	**93446.48**	**90075.30**
Other Operating Income	3569.95	3595.19	27.97	-	-	-	3597.92	3595.19
Revenue from Operation	**83215.39**	**79737.04**	**13829.01**	**13933.45**	**-**	**-**	**97044.40**	**93670.49**
RESULT								
Segment Result	12242.62	11260.36	(98.66)	499.70	-	-	12143.96	11760.06
Unallocated Corporate Expenses					**3001.18**	**2560.86**	**3001.18**	**2560.86**
Operating Profit							**9142.78**	**9199.20**
Less : Interest Expense					2530.05	2776.69	2530.05	2776.69
Add : Interest Income					115.96	76.50	115.96	76.50
Profit before Tax							**6728.69**	**6499.01**
Current Tax							2624.35	1312.29
Deferred Tax							(190.58)	1152.94
Profit after Tax							**4294.92**	**4033.78**
OTHER INFORMATION								
Segment Assets	45062.95	49534.55	22369.56	20771.27	4236.57	6352.35	71669.08	76658.17
Segment Liabilities	18651.15	18126.43	2571.37	3121.10	1360.30	995.74	22582.82	22243.27
Loan Fund					16436.28	25443.29	16436.28	25443.29
Deferred Tax Liabilities (Net)					2406.96	2597.54	2406.96	2597.54
Shareholders' Funds					30243.02	26374.07	30243.02	26374.07
Total Liabilities							**71669.08**	**76658.17**
Capital Expenditure	1528.01	3367.76	668.43	1810.86	338.19	58.63	2534.63	5237.25
Depreciation	2221.82	2140.20	872.43	778.35	266.53	232.70	3360.78	3151.25

Secondary Segment - Geographical by location of customers

₹ in Lacs

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
Within India	59656.19	57451.13	71669.08	76658.17	2534.63	5237.25
Outside India	33790.29	32624.17	-	-	-	-
	93446.48	**90075.30**	**71669.08**	**76658.17**	**2534.63**	**5237.25**

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 Europe (UK) Ltd.
iv) Greenlam Asia Pacific (Thailand) Co. Ltd.
v) Greenlam Holding Co. Ltd.
vi) 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) 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.)

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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Sale of Products								
Greenply Industries Ltd.	-	-	-	-	213.51	208.27	-	-
Greenlam Asia Pacific Pte. Ltd.	11575.22	14276.76	-	-	-	-	-	-
Greenlam America, Inc.	7263.89	6094.30	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	2236.28	1039.25	-	-	-	-	-	-
Seema Realcon Pvt Ltd	-	-	-	-	-	-	2210.96	680.58
Total	**21075.39**	**21410.31**	**-**	**-**	**213.51**	**208.27**	**2210.96**	**680.58**
Purchase of Products								
Greenply Industries Ltd.	-	-	-	-	116.20	168.42	-	-
Greenlam Europe (UK) Ltd.	133.32	-	-	-	-	-	-	-
Total	**133.32**	**-**	**-**	**-**	**116.20**	**168.42**	**-**	**-**
Reimbursement Received								
Greenlam Asia Pacific Pte. Ltd.	0.78	0.80	-	-	-	-	-	-
Greenlam America, Inc.	1.56	2.20	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	1.00	1.18	-	-	-	-	-	-
Total	**3.34**	**4.18**	**-**	**-**	**-**	**-**	**-**	**-**
Rent Paid								
Himalaya Granites Ltd.	-	-	-	-	49.60	47.25	-	-
Greenply Industries Ltd.	-	-	-	-	0.60	0.60	-	-
Total	-	-	-	-	50.20	47.85	-	-
Investment								
Greenlam Asia Pacific Pte. Ltd.	-	667.43	-	-	-	-	-	-
Total	**-**	**667.43**	**-**	**-**	**-**	**-**	**-**	**-**
Loan Given								
Greenlam Europe (UK) Ltd.	-	950.85	-	-	-	-	-	-
Total	**-**	**950.85**	**-**	**-**	**-**	**-**	**-**	**-**
Interest received								
Greenlam Europe (UK) Ltd.	20.46	1.04	-	-	-	-	-	-
Total	**20.46**	**1.04**	**-**	**-**	**-**	**-**	**-**	**-**
Remuneration Paid/ Provided								
Mr. Saurabh Mittal	-	-	377.16	324.05	-	-	-	-
Mrs. Parul Mittal	-	-	225.60	171.60	-	-	-	-
Mr. Vijay Kumar Chopra#	-	-	14.89	11.78	-	-	-	-
Mrs. Urvashi Saxena#	-	-	14.15	11.78	-	-	-	-
Ms. Sonali Bhagwati Dalal#	-	-	13.85	11.78	-	-	-	-
Mr. Ashok Kumar Sharma	-	-	92.03	77.83	-	-	-	-
Mr. Prakash Kumar Biswal	-	-	37.07	28.20	-	-	-	-
Total	**-**	**-**	**774.75**	**637.02**	**-**	**-**	**-**	**-**

32. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18 *(contd.)*

Amount outstanding as at Balance Sheet date ₹ in Lacs

Particulars	Subsidiaries		Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Trade Receivable								
Greenlam Asia Pacific Pte. Ltd.	332.06	315.53	-	-	-	-	-	-
Greenlam America, Inc.	335.32	-	-	-	-	-	-	-
Greenlam Europe (UK) Ltd.	1171.97	775.62	-	-	-	-	-	-
Greenply Industries Ltd.	-	-	-	-	31.53	35.94		
Seema Realcon Pvt Ltd *	-	-	-	-	-	-	220.07	47.24
Total	**1839.35**	**1091.15**	**-**	**-**	**31.53**	**35.94**	**220.07**	**47.24**
Advance Received from Customer								
Greenlam America, Inc.	-	210.76	-	-	-	-	-	-
Total	**-**	**210.76**	**-**	**-**	**-**	**-**	**-**	**-**
Loan Outstanding								
Greenlam Europe (UK) Ltd.	-	951.89	-	-	-	-	-	-
Total	-	951.89	-	-	-	-	-	-
Trade Payable								
Greenply Industries Ltd.	-	-	-	-	22.57	10.41	-	-
Total	**-**	**-**	**-**	**-**	**22.57**	**10.41**	**-**	**-**
Remuneration Payable								
Mr. Saurabh Mittal	-	-	-	15.32	-	-	-	-
Mrs. Parul Mittal	-	-	-	8.40	-	-	-	-
Mr. Ashok Kumar Sharma	-	-	-	6.08	-	-	-	-
Mr. Prakash Kumar Biswal	-	-	-	2.24	-	-	-	-
Total	**-**	**-**	**-**	**32.04**	**-**	**-**	**-**	**-**

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)

* Amount due from Seema Realcon Pvt Ltd is exclusive of ₹243.36 lacs (Previous Year ₹ Nil), received through Channel Finance Facility from a Bank.

#Amount inclusive of service tax

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
					NIL					

33. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY: *(contd.)*

(ii) Details of investments:

₹ in Lacs

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 (USD in Lacs)	Amount (₹ in Lacs)*	Expected rate of return
NIL								

(iii) Details of Guarantee / Security Provided:

₹ in Lacs

Sl No.	Date of investment	Date of Board Resolution	Date of Special Resolution (if any)	Name of investee	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Amount (Foreign Currency in Lacs)	Amount (₹ in Lacs)	Expected rate of return
1	26.08.2016	27.07.2016	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	USD 10	650.23	Not Applicable
2	19.05.2015	18.05.2015*	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	SGD 15.08	700.75	Not Applicable
3	30.01.2017	18.10.2016	Not Applicable	Greenlam Asia Pacific Pte Ltd	For business requirements.	USD 100	6502.25	Not Applicable
4	20.04.2016	29.03.2016*	Not Applicable	Greenlam America Inc.	For business requirements.	USD 20	1300.45	Not Applicable
5	16.08.2016	27.05.2016	Not Applicable	Greenlam Europe (UK) Ltd	For business requirements.	GBP 10	808.30	Not Applicable

Represents amount as on the year end 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/(gain) of ₹(17.07) lacs (Previous year ₹185.56 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, 2016 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, 2017 are summarized below:

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Amount due within one year	41.07	51.34
Amount due between one year and five years	5.12	46.21
Amount due above five years	-	-
Total	**46.19**	**97.55**

37. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENEDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date :

Particulars	Currency	As at 31st March, 2017		As at 31st March, 2016	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Purchase (Hedging of Buyers Credit)	EURO		-	1509515	1146.21
	USD		-	228877	154.16
			-		1300.37
Purchase (Hedging of Trade Payables)	EURO	1284450	890.30	3271051	2466.90
	USD	1007353	655.01	3058279	2026.03
	JPY	11591570	68.09	20424600	120.53
			1613.40		4613.46
Trade Receivables	GBP	210847	170.43	-	-
			170.43	-	-
Foreign Currency Term Loans	USD	789286	513.21	-	-
			513.21	**-**	**-**

Interest Rate Swap

Notional amount USD 23.68 Lacs ₹1539.64 Lacs (Previous year USD 39.46 Lacs ₹2614.41 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, 2017		As at 31st March, 2016	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Foreign Currency Term Loans	USD	1578570	1026.43	3946428	2614.41
			1026.43		**2614.41**
Buyers Credit	EURO	-	-	520708	392.70
	USD	-	-	436332	289.06
			-		**681.76**
Trade Payables	EURO	2101469	1456.61	1431635	1079.68
	USD	2090031	1358.99	2099820	1391.08
	GBP	4318	3.49	-	-
	AED	119460	21.15	-	-
	SGD	-	-	502	0.25
			2840.24		**2471.01**
Advance to Vendors	EURO	73203	50.74	114738	86.53
	USD	43612	28.36	15043	9.97
	GBP		-	13473	12.81
			79.10		**109.31**
Trade Receivables	EURO	2567377	1779.55	2687895	2027.10
	USD	2455183	1596.42	2514482	1665.78
	GBP	1281238	1035.62	506736	481.83
			4411.59		**4174.71**
Loans and Advances	GBP	-	-	1001097	951.89
Advance from Customers	USD	33337	21.68	318948	211.30

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

		For the year ended 31st March, 2017		For the year ended 31st March, 2016	
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.		-		-

39. VALUE OF IMPORTS ON C.I.F. BASIS

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Raw Materials	27598.54	21659.51
Stores & Spare Parts	82.83	201.02
Capital Goods	271.23	766.93
Total	**27952.60**	**22627.46**

40. EXPENDITURE IN FOREIGN CURRENCY

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue Expenditure	577.39	681.90

41. EARNINGS IN FOREIGN CURRENCY

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
FOB Value of Exports	33074.94	32550.95
Interest Received	20.46	1.04

Notes on Financial Statements for the year ended 31st March 2017

42. INFORMATION REGARDING SPECIFIED BANK NOTES (SBN): ₹ in Lacs

	Specified Bank Notes		Other Bank Notes	Total
Closing cash in hand as on 8 November 2016		9.13	5.96	15.09
(+) Permitted receipts		-	16.56	16.56
(-) Permitted payments		-	14.72	14.72
(-) Amount deposited in banks		9.13	-	9.13
Closing cash in hand as on 30 December 2016		**-**	**7.80**	**7.80**

43. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

44. 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

(Dindayal Dhandaria)
Partner
Membership No. 010928
Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

CONSOLIDATED FINANCIAL SECTION

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, 2017, 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.

AUDITORS' 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, 2017, 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 ₹9653.27 lacs as at 31st March, 2017, total revenues of ₹31646.87 lacs and net cash flows amounting to ₹794.53 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, 2017 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, 2017 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.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and the same are in accordance with books of accounts maintained by the Company and as produced to us by the Management. (Refer note no. 36)

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

Place of Signature: New Delhi
Date : 25th May, 2017

Consolidated Balance Sheet as at 31st March 2017

₹ in Lacs

	Note No.	As at 31st March, 2017		As at 31st March, 2016	
EQUITY AND LIABILITIES:					
Shareholders' Funds :					
Share Capital	1	1206.82		1206.82	
Reserves and Surplus	2	27864.33		23304.63	
			29071.15		24511.45
Minority Interest			8.04		7.03
Non-current Liabilities :					
Long-Term Borrowings	3	9703.21		14774.13	
Deferred Tax Liabilities (Net)	4	2452.83		2641.30	
Other Long Term Liabilities	5	948.92		698.74	
Long-Term Provisions	6	1248.98		912.93	
			14353.94		19027.10
Current Liabilities					
Short-Term Borrowings	7	8691.97		11787.98	
Trade Payables	8	18677.92		18898.24	
Other Current Liabilities	9	6591.68		12506.49	
Short-Term Provisions	10	574.17		345.96	
			34535.74		43538.67
TOTAL :			**77968.87**		**87084.25**
ASSETS :					
Non-current Assets					
Fixed Assets :	11				
Tangible Assets		33336.22		34626.23	
Intangible Assets		743.93		696.17	
Capital Work-in-Progress		535.53		395.28	
		34615.68		35717.68	
Non-current Investments					
Long Term Loans and Advances	12	558.75		501.62	
Other Non-current Assets	13	40.25		53.08	
			35214.68		36272.38
Current Assets					
Inventories	14	22804.77		24735.13	
Trade Receivables	15	14511.08		18407.62	
Cash and Bank Balances	16	785.44		523.00	
Short Term Loans and Advances	17	4627.88		7124.15	
Other Current Assets	18	25.02		21.97	
			42754.19		50811.87
TOTAL :			**77968.87**		**87084.25**
Significant Accounting Policies					
See Accompanying Notes to the Financial Statements	1 to 38				

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928
Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lacs

	Note No.	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
INCOME:					
Sale of Products			108048.67		103715.53
Other Operating Revenue			3597.92		3595.19
			111646.59		107310.72
Less : Central Excise Duty			4053.59		4336.61
Revenue from Operations	20		107593.00		102974.11
Other Income	21		363.27		283.14
Total Revenue			**107956.27**		**103257.25**
EXPENSES:					
Cost of Materials Consumed	22		53843.70		51049.71
Purchase of Stock in Trade	23		2464.10		2053.90
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	24		365.04		628.40
Employees Benefits Expense	25		15424.25		13980.44
Finance Costs	26		2840.25		3224.81
Depreciation and Amortisation Expense	27		3685.37		3497.02
Other Expenses	28		21370.91		22314.21
Loss due to Fluctuation in Foreign Exchange Rates			341.26		269.38
Total Expenditure			**100334.88**		**97017.87**
Profit before Tax			**7621.39**		**6239.38**
Tax Expense					
Current Tax		1921.24		1416.71	
Add/ (Less) : Mat Credit Entitlement		855.50		(94.48)	
		2776.74		1322.23	
Income Tax For Earlier Year		63.22		-	
Deferred Tax		(199.61)	2640.35	1146.33	2468.56
			4981.04		3770.82
Minority Interest			1.18		0.56
Profit for the Year			**4979.86**		**3770.26**
Earnings per Equity Share of face value of ₹5 each	29				
Basic (in ₹)			**20.63**		**15.62**
Diluted (in ₹)			**20.63**		**15.62**
Significant Accounting Policies					
See Accompanying Notes to the Financial Statements	1 to 38				

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

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Prakash Kumar Biswal
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Consolidated Cash Flow Statement for the year ended 31st March 2017

₹ in Lacs

		For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A.	**CASH FLOW ARISING FROM OPERATING ACTIVITIES:**		7621.39		6239.38
	Profit before Taxation, and Extraordinary items				
	a) Depreciation & Amortisation Expense	3685.37		3497.02	
	b) Finance Costs	2840.25		3224.81	
	c) Loss on Sale / Discard of Fixed Assets	19.07		28.68	
	d) Effect of Exchange Rate Changes	252.90		(456.56)	
	e) Unrealised Foreign Exchange Fluctuations	50.59		(29.80)	
	f) Provision for Doubtful Debts	268.22		92.68	
	g) Investment Written off	-		1.00	
	h) Miscellaneous Expenditure written off	25.02	7141.42	21.97	6379.80
			14762.81		12619.18
	Less: Interest Income		115.96		83.27
	Operating Profit before Working Capital Changes		14646.85		12535.91
	Less:				
	a) Increase in Trade and Other Receivables	(4730.90)		(206.00)	
	b) Increase in Inventories	(1791.29)		1668.88	
	c) Decrease in Trade Payables	(316.08)		(1820.25)	
			(6838.27)		(357.37)
	Cash Inflow (+)/Outflow (-) from Operations		21485.12		12893.28
	Less: Income Tax Paid		1436.19		1302.24
	Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		**20048.93**		**11591.04**
B.	**CASH FLOW ARISING FROM INVESTING ACTIVITIES:**				
	OUTFLOW				
	a) Acquisition of Fixed Assets	2531.18		5241.66	
	b) Interest amount Capitalised	-		175.21	
			2531.18		5416.87
	Less : INFLOW				
	a) Sale of Fixed Assets	37.89		37.95	
	b) Interest Received	115.96		87.91	
			153.85		125.86
	Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		**(2377.33)**		**(5291.01)**

Consolidated Cash Flow Statement *(contd.)* for the year ended 31st March 2017

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Proceeds from Long Term Borrowings	-		7550.00	
b) Short Term Borrowings (Net)	(3096.00)		(2455.59)	
c) Deferred Payment Liabilities (Net)	(39.32)		(28.37)	
		(3135.32)		5066.04
DEDUCT : OUTFLOW				
a) Miscellaneous Expenditure	243.97		67.95	
b) Repayment of Long Term Borrowings	10900.65		7944.92	
c) Interest Paid	2840.25		3224.81	
d) Dividend & Corporate Dividend Tax Paid	290.50		145.25	
		14275.37		11382.93
Net Cash Inflow in course of Financing Activities		**(17410.69)**		**(6316.89)**
Net Increase (+) / Decrease in Cash/Cash Equivalents		**260.91**		**(16.86)**
Add : Balance at the beginning of the year		482.36		499.22
Cash / Cash Equivalents at the close of the Year		**743.27**		**482.36**

As per our annexed report of even date.

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

(Dindayal Dhandaria)
Partner
Membership No. 010928

Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
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Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

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 imports raw materials for manufacturing. Manufactured goods are sold both in domestic and overseas markets. It has two wholly owned subsidiary companies operating in overseas countries which 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., Thailand, Greenlam Holding Co. Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia and Greenlam Europe (UK) Ltd, United Kingdom and Greenlam America Inc., Florida (U.S.A), continued to be the wholly-owned subsidiaries of the Company, Greenlam Europe(UK) Ltd is an wholly owned subsidiary of Greenlam Asia Pacific Pte Ltd and minority interest in the step-down subsidiaries viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Greenlam Holding Co. Ltd. and PT. Greenlam Asia Pacific. is 2.5%, 1% and 1% 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.

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 – 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

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

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.

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.

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 & Alllied 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.

Significant Accounting Policies and notes forming part of Consolidated Financial Statements

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 ACCOUNTING FOR TAXES ON INCOME (AS-22):

The consolidated financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intragroup balances and intragroup transactions and resulting unrealized profits (losses) are eliminated in full. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances to the extent practicable and in case of difference, the same is disclosed.

1.17 INTANGIBLE ASSETS (AS – 26):

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-28)

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.

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:

IVarious 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 2017

1. SHARE CAPITAL

	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹ in Lacs	Number	₹ in Lacs
1.1 Authorised				
Equity Shares of ₹5 each	30000000	1500.00	30000000	1500.00
1.2 Issued, Subscribed and Fully Paid up				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
1.3 The reconciliation of the number of shares outstanding				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	-	-	-	-
Total	**24136374**	**1206.82**	**24136374**	**1206.82**

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 ₹1.50 (Previous year ₹1.0)

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

	As at 31st March, 2017		As at 31st March, 2016	
	Number	%	Number	%
EQUITY SHARES				
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Saurabh Mittal	3206534	13.29%	3306534	13.70%
Greenply Leasing & Finance Pvt Ltd	2724481	11.29%	2724481	11.29%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
Ashish Dhawan	1680969	6.96%	2032969	8.42%
Westbridge Crossover Fund LLC	1901342	7.88%	1901342	7.88%
HDFC Trustee Company Ltd	1779376	7.37%	1826049	7.57%
Jwalamukhi Investment Holding *	1281634	5.31%		

* 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:

i. Allotted 2,42,36,374 equity shares as fully paid and cancelled 1,00,000 equity shares pursuant to Scheme of Arrangement without payment being received in cash.
ii. Not allotted fully paid up shares by way of bonus shares
iii. Not bought back any class of shares.

1.8 Name of the Entities included in Consolidation

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated		As % of consolidated	
	Net Assets	₹ in Lacs	Net Assets	₹ in Lacs
Parent - Greenlam Industries Limited	104.25%	30308.29	86.25%	4294.92
Subsidiary (Foreign)				
Greenlam Asia Pacific Pte Ltd.	(5.15%)	(1498.04)	8.88%	442.30
Greenlam America Inc, USA	0.90%	260.90	4.87%	242.64
Total	100%	29071.15	100%	4979.86
Minority Interest in Greenlam Asia Pacific Pte Ltd.	0.03%	8.04	0.02%	1.18

Consolidated Notes on Financial Statements for the year ended 31st March 2017

2. RESERVES AND SURPLUS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Capital Reserve				
Balance as per last Financial Statements	15020.44		15020.44	
		15020.44		15020.44
General Reserve				
Balance as per last Financial Statements	500.00		100.00	
Add: Transferred from Statement of Profit and Loss	500.00		400.00	
		1000.00		500.00
Surplus, i.e. balance in Statement of Profit and Loss				
Balance as per last Financial Statements	7784.19		5654.01	
Add : Profit for the year	4979.86		3770.26	
Less: Foreign Currency translation adjustment	(15.59)		949.58	
Less : Transferred to General Reserve	500.00		400.00	
Less : Proposed Dividend on Equity Shares	362.05		241.36	
[Dividend Per Share ₹1.50 (Previous year ₹1.0)]				
Less : Tax on Distribution of Proposed Dividend	73.70	11843.89	49.14	7784.19
Total		**27864.33**		**23304.63**

3. LONG-TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2017			As at 31st March, 2016		
Secured						
Term Loans						
From Banks						
Foreign Currency Loans		1859.75			10712.71	
Rupee Loans		11870.00			13950.00	
		13729.75			24662.71	
Less : Current maturities of Long Term Borrowings		4030.89			9926.66	
			9698.86			14736.05
Deferred Payment Liabilities		27.01			54.02	
Less: Current maturities of Deferred Payment Liabilities		27.01			27.01	
			-			27.01
			9698.86			14763.06
Unsecured						
Term Loans						
From Banks						
Rupee Loans		-			-	
Less : Current maturities of Long Term Borrowings		-			-	
Deferred Payment Liabilities		10.28			22.59	
Less: Current maturities of Deferred Payment Liabilities		5.93			11.52	
			4.35			11.07
Total			**9703.21**			**14774.13**

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

3.1 Term Loans of ₹13729.75 lacs comprises of ₹13409.64 lacs availed by the Holding Company and ₹320.11 lacs availed by Greenlam Asia Pacific Pte. Ltd. Term Loans of ₹13409.64 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.

3.2 Term Loans of ₹320.11 lacs taken by Greenlam Asia Pacific Pte. Ltd., are secured against the property at 11, Sungei Kedat Crescent, Singapore and Personal Guarantee of Mr Saurabh Mittal.

3.3 Terms of Repayment and Rate of Interest of Term Loans

	Rate of Interest	Repayment Schedule				
		2017-18*	2018-19	2019-20	2020-21	2021-22
Term Loans from Banks						
Secured						
6 Quarterly Installments	4.37%	1026.43	513.21	-	-	-
16 Quarterly Installments	8.30%	1000.00	1000.00	1000.00	1250.00	-
16 Quarterly Installments	8.95%	400.00	400.00	400.00	250.00	-
13 Quarterly Installments	8.75%	840.00	1455.00	1660.00	415.00	-
16 Quarterly Installments	8.95%	600.00	600.00	600.00	-	-
23 Monthly Installments	3.46%	164.46	155.65	-	-	-
		4030.89	**4123.86**	**3660.00**	**1915.00**	**-**
Deferred Payment Liabilities						
Secured	10.25%	27.01	-	-	-	-
Unsecured	2.99%	5.93	4.35	-	-	-
		32.94	**4.35**	**-**	**-**	**-**

* 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, 2017	As at 31st March, 2016
DEFERRED TAX LIABILITIES :		
Depreciation	2452.58	2335.48
Others	855.61	901.70
	3308.19	3237.18
LESS : DEFERRED TAX ASSETS :		
Provision for Gratuity/Liabilities	855.36	595.88
Total	**2452.83**	**2641.30**

5. OTHER LONG TERM LIABILITIES ₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Others		
Security Deposits from Customers	162.26	165.82
Foreign Currency Transaction Adjustment	786.66	532.92
Total	**948.92**	**698.74**

6. LONG TERM PROVISIONS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Provisions for Employee Benefits (unfunded)				
For Gratuity		827.95		627.10
For Leave Encashment		421.03		285.83
Total		**1248.98**		**912.93**

7. SHORT TERM BORROWINGS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Secured				
Loans Repayable on Demand				
Working Capital Loans				
From Banks				
Foreign Currency Loans	5692.34		2964.68	
Rupee Loans	2999.63		6841.17	
		8691.97		9805.85
Unsecured				
Other Loans and advances				
From Banks				
Foreign Currency Loan - Buyers' Credit		-		1982.13
Total		**8691.97**		**11787.98**

7.1 Working Capital Loans of ₹2999.63 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 ₹5081.13 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 Faclilities 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 and GBP 10,00,000

Working Capital Loans of ₹611.21 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.

8. TRADE PAYABLES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Dues to Micro and Small Enterprises (Refer Note No. 35)		-		-
Dues to Other than Micro and Small Enterprises		18677.92		18898.24
Total		**18677.92**		**18898.24**

9. OTHER CURRENT LIABILITIES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Current maturities of Long Term Borrowings*		4030.89		9926.66
Current maturities of Deferred Payment Liabilities*		32.94		38.53
Interest Accrued but not due on borrowings		77.53		40.34
Advance from Customers		451.99		426.10
Unpaid Dividend		0.34		0.11
Statutory Dues		1997.99		2074.75
Total		**6591.68**		**12506.49**

* 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, 2017	As at 31st March, 2016
Provisions for Employee Benefits (unfunded)		
For Gratuity	25.49	27.01
For Leave Encashment	40.43	24.70
Provision for Taxation	72.50	3.75
Proposed Dividend		
Equity Shares	362.05	241.36
Tax on Distribution of Proposed Dividend	73.70	49.14
Total	**574.17**	**345.96**

11. FIXED ASSETS

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As At 01/04/16	Addition During The Year	Currency Translation Adjustment	Deduction During The Year	Total As At 31/03/17	Upto 01/04/16	For The Year	Currency Translation Adjustment	Adjustment For Deductions	Total As At 31/03/2017	As At 31/03/17	As At 31/03/16
OWN ASSETS												
Tangible Assets												
Freehold Land	1095.53	-	-	-	1095.53	-	-	-	-	-	1095.53	1095.53
Leasehold Land	1575.28	50.83	-	-	1626.11	45.73	21.09	-	-	66.82	1559.29	1529.55
Land Development	603.11	-	-	-	603.11	6.79	4.11	-	-	10.90	592.21	596.32
Buildings	13495.31	579.79	(25.09)	6.93	14043.08	2276.75	534.23	(12.29)	3.93	2794.76	11248.32	11218.56
Plant and Equipments	31789.88	1,217.97	(1.47)	38.49	32967.89	13537.94	2441.75	(0.54)	34.05	15945.10	17022.79	18251.94
Furniture and Fixtures	1720.31	96.88	(5.96)	67.20	1744.03	734.11	174.23	(4.50)	51.40	852.44	891.59	986.20
Vehicles	826.00	211.14	(1.88)	154.92	880.34	471.80	108.12	(1.91)	128.62	449.39	430.95	354.20
Heavy Vehicles	12.92	1.39	-	-	14.31	12.14	0.21	-	-	12.35	1.96	0.78
Office Equipments	1379.68	77.25	(5.20)	59.12	1392.61	786.53	168.58	(4.38)	51.70	899.03	493.58	593.15
Sub Total	**52498.02**	**2235.25**	**(39.60)**	**326.66**	**54367.01**	**17871.79**	**3452.32**	**(23.62)**	**269.70**	**21030.79**	**33336.22**	**34626.23**
Intangible Assets												
Goodwill	656.14	-	(12.13)	-	644.01	238.50	-	(7.97)	-	230.53	413.48	417.64
Trademarks	68.58	-	-	-	68.58	68.58	-	-	-	68.58	-	-
Computer Software	407.48	146.81	-	-	554.29	128.95	94.89	-	-	223.84	330.45	278.53
Technical Knowhow	304.23	-	-	-	304.23	304.23	-	-	-	304.23	-	-
Sub Total	**1436.43**	**146.81**	**(12.13)**	**-**	**1571.11**	**740.26**	**94.89**	**(7.97)**	**-**	**827.18**	**743.93**	**696.17**
Capital Work In Progress	395.28	553.41	-	413.16	535.53	-	-	-	-	-	535.53	395.28
Total	**54329.73**	**2935.47**	**(51.73)**	**739.82**	**56473.65**	**18612.05**	**3547.21**	**(31.59)**	**269.70**	**21857.97**	**34615.68**	**35717.68**
Previous Period Total	**48892.61**	**6392.63**	**154.88**	**1110.39**	**54329.73**	**15176.15**	**3497.75**	**61.27**	**123.12**	**18612.05**	**35717.68**	

11.1 Addition to Plant and Equipments includes loss/(gain) of ₹(17.07) lacs (Previous year ₹185.56 lacs) on account of fluctuation in Foreign Exchange Rates.

11.2 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹175.21 lacs), included in tangible assets ₹ Nil (Previous year ₹175.21 lacs).

12. LONG TERM LOANS & ADVANCES

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
(Unsecured, Considered good)		
Capital Advances	177.74	153.97
Security Deposits	381.01	347.65
Total	**558.75**	**501.62**

13. OTHER NON-CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Expenses pertaining to Scheme of Arrangement	38.15	48.55
Preliminary Expenses	-	0.33
Fees for Increase in Authorised Capital	2.10	4.20
Total	**40.25**	**53.08**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	11680.72	13172.16
[including at Customs Warehouse ₹128.53 lacs (Previous year ₹1110.67 lacs)]		
Stock in Process	2898.86	1616.53
Finished Goods	7046.54	8861.57
[including in Transit ₹1453.55 lacs (Previous year ₹954.02 lacs)]		
Stock In Trade	330.79	186.06
Certified Emission Reductions (CER)	8.68	8.68
Stores & Spares	839.18	890.13
Total	**22804.77**	**24735.13**

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
14.1 Details of Closing Stock of Raw Materials		
Paper	7358.06	8120.57
Veneer	2021.61	2419.82
Chemicals	1004.98	1039.69
Plywood, Particle Board & MDF	721.26	1167.59
Cubicle Hardware & Rivets	321.31	257.21
Particle Board Core & Pine Wood	253.50	167.28
Total	**11680.72**	**13172.16**
14.2 Details of Closing Stock of Goods-in-Process		
Timber	20.28	21.34
Decorative Laminates	175.64	118.03
Decorative Veneers	1039.37	545.35
Chemicals	108.73	72.80
Paper	497.52	298.15
Flooring Planks	1057.32	560.86
Total	**2898.86**	**1616.53**
14.3 Details of Closing Stock of Finished Goods		
Decorative Laminates	6417.88	7957.62
Decorative Veneers	258.16	490.04
Engineered Wood Flooring	300.04	383.36
Melamine Faced Chipboards	8.44	7.03
Engineered Door Sets & Door Leaf	62.02	23.52
Total	**7046.54**	**8861.57**
14.4 Details of Closing Stock of Stock in Trade		
Engineered Wood Flooring and Accessories	169.65	169.24
Decorative Laminates	161.14	16.82
Total	**330.79**	**186.06**
	Numbers	**Numbers**
14.5 CERs held in inventory	59864	59864

Consolidated Notes on Financial Statements for the year ended 31st March 2017

15. TRADE RECEIVABLES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Outstanding for a period exceeding six months from date due for payment				
Secured, considered good	-		-	
Unsecured, considered good	872.76		479.86	
Unsecured, considered doubtful	336.81		128.39	
	1209.57		608.25	
Less : Provision for Doubtful Trade Receivables *	336.81		128.39	
		872.76		479.86
Other debts				
Secured, considered good	106.37		172.24	
Unsecured, considered good	13531.95		17755.52	
		13638.32		17927.76
Total		**14511.08**		**18407.62**

* as estimated by the Management

16. CASH & BANK BALANCES

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
16.1 Cash & Cash Equivalents				
Balances with Banks		729.98		464.99
Balances with Banks - unpaid dividend		0.34		0.11
Remittance in Transit		-		-
Cash on Hand		12.95		17.26
		743.27		**482.36**
16.2 Other Bank Balances				
Term Deposits with Banks				
(Receipts pledged with banks & others as security deposits)				
Maturity within 12 months		42.17		40.64
Total		**785.44**		**523.00**

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

₹ in Lacs

	As at 31st March, 2017	As at 31st March, 2016
Advance to Staff & Workers	139.84	119.45
Advance against Purchases	919.51	1754.86
Service Tax Input Credit Receivable	423.25	228.19
Balance with Central Excise Authorities	325.97	405.07
Advance Payment of Income Tax (Less Provision)	15.68	475.67
MAT Credit Entitlement	-	875.04
Advance Payment of Sales Tax (including unavailed VAT input credit)	257.54	229.55
Export Incentive Receivable	1990.02	2296.88
Prepaid Expenses	464.04	644.32
Insurance Claim Receivable	92.03	95.12
Total	**4627.88**	**7124.15**

18. OTHER CURRENT ASSETS

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Expenses pertaining to Scheme of Arrangement		22.59		19.55
Fees for Increase in Authorised Capital		2.10		2.10
Preliminary Expenses		0.33		0.32
Total		**25.02**		**21.97**

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 ₹2691.88 lacs (Previous year ₹2770.15 lacs).

Notes:

i) 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.

ii) The company does not expect any reimbursements in respect of the above contingent liabilities

iii) 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:

a. Letter of credit established but material not received amounting to ₹3758.49 lacs (Previous year ₹2799.20 lacs).

b. Gurarantee/Letter of Assurance given to Banks for Bills discounting facility (Channel Financing) ₹2400.00 lacs (Previous Year ₹2750.00 lacs) and outstanding amount under this Bills Discounting facillity ₹1793.27 lacs (Previous Year ₹760.28 lacs)

19.2 Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹2348.85 lacs (Previous year ₹603.92 lacs)

b. Uncalled liability on shares and other investments which are partly paid ₹ Nil (Previous year ₹ Nil)

c. Other commitments ₹ Nil (Previous year ₹ Nil)

20. REVENUE FROM OPERATIONS

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Sale of Products		108048.67		103715.53
Other Operating Revenue				
Export Incentive Received	3537.11		3454.81	
Insurance Claim Received	60.81	3597.92	140.38	3595.19
		111646.59		107310.72
Less : Central Excise Duty		4053.59		4336.61
Total		**107593.00**		**102974.11**

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

	As at 31st March, 2017	As at 31st March, 2016
Decorative Laminates	91382.29	86997.92
[including exports ₹43738.62 lacs (Previous year ₹41808.57 lacs)]		
Decorative Veneers	12075.91	13691.54
[including exports ₹15.53 lacs (Previous year ₹24.77 lacs)]		
Engineered Wood Flooring	2014.19	1828.55
[including exports ₹1.97 lacs (Previous year ₹50.54 lacs)]		
Melamine Faced Chipboards	683.30	492.18
Engineered Door Sets & Door Leaf	1082.34	111.86
[including exports ₹576.21 lacs (Previous year ₹41.10 lacs)]		
Others	810.64	593.48
[including exports ₹6.57 lacs (Previous year ₹2.82 lacs)]		
Total	**108048.67**	**103715.53**

21. OTHER INCOME

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Wages & Other Subsidy Received	-	52.17
Interest Income	115.96	83.27
Liabilities no longer required written back	45.72	34.01
Miscellaneous Income	201.59	113.69
Total	**363.27**	**283.14**

22. COST OF MATERIALS CONSUMED

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Paper		30796.28		28856.69
Timber		304.59		226.45
Veneer		3177.45		3258.24
Chemicals		15391.21		14049.97
Plywood, Particle Board and MDF		3669.65		4129.07
Hardware and Accessories		504.52		529.29
Total		**53843.70**		**51049.71**
	(%)		(%)	
Imported	62%	33319.74	60%	30620.75
Indigenous	38%	20523.96	40%	20428.96
Total	**100%**	**53843.70**	**100%**	**51049.71**

22.1 Cost of Materials Consumed includes cost of materials sold ₹641.84 lacs (Previous year ₹418.28 lacs)

23. PURCHASE OF STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Decorative Veneers		241.39		68.48
Decorative Laminates		2105.58		1889.21
Engineered Wood Flooring and Accessories		117.13		96.21
Total		**2464.10**		**2053.90**

24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
OPENING STOCK				
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
CLOSING STOCK				
Finished Goods	7046.54		8861.57	
Stock in Trade	330.79		186.06	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	2898.86	10284.87	1616.53	10672.84
Currency transalation reserve		(22.93)		250.36
Total		**365.04**		**628.40**

25. EMPLOYEES BENEFITS EXPENSE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Salary, Wages and Bonus		14434.69		13029.38
Contribution to Provident Fund & Employees' State Insurance		635.82		609.83
Employees' Welfare Expenses		353.74		341.23
Total		**15424.25**		**13980.44**

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

ii) Employee Gratuity Benefit Calculations

₹ in Lacs

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
a)	Net Employee Expense/(benefit):		
	Current service cost	127.74	107.42
	Interest cost on benefit obligation	52.33	38.48
	Expected return on plan assets	-	-
	Net Actuarial (gains)/losses recognised in the year	60.52	48.95
	Total employer expenses	**240.59**	**194.85**
b)	**Actual return on plan assets**	-	-
c)	**Benefit Asset / (Liability):**		
	Fair Value of Plan Assets	-	-
	Defined benefit obligation	853.44	654.11
	Benefit Asset / (Liability)	(853.44)	(654.11)
d)	Movement in benefit liability:		
	Opening defined benefit obligation	654.11	496.56
	Interest cost on benefit obligation	52.33	38.48
	Current service cost	127.74	107.42
	Actuarial (gains) / losses	60.52	48.95
	Less: Benefits paid	(41.26)	(37.30)
	losing benefit obligation	853.44	654.11
e)	**Actuarial assumptions:**		
	Mortality Table	IALM 2006-2008	IALM 2006-2008
	Discount Rate (per annum)	7.37%	8.00%
	Expected rate of return on plan assets (per annum)	-	-
	Rate of escalation in salary (per annum)	5.50%	6.00%
	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%

iv) Employee Leave Benefit Calculations

a)	**Net Employee Expense/(benefit):**		
	Current service cost	101.63	74.13
	Interest cost on benefit obligation	24.84	21.96
	Expected return on plan assets	-	-
	Net Actuarial (gains)/losses recognised in the year	115.29	19.19
	Total employer expenses	**241.76**	**115.28**
b)	**Actual return on plan assets**	-	-
c)	**Benefit Asset / (Liability):**		
	Fair Value of Plan Assets	-	-
	Defined benefit obligation	461.47	310.54
	Benefit Asset / (Liability)	**(461.47)**	**(310.54)**
d)	**Movement in benefit liability:**		
	Opening defined benefit obligation	310.54	283.32
	Interest cost on benefit obligation	24.84	21.96
	Current service cost	101.63	74.13
	Actuarial (gains) / losses	115.29	19.19
	Less: Benefits paid	(90.83)	(88.06)
	Closing benefit obligation	**461.47**	**310.54**

25. EMPLOYEES BENEFITS EXPENSE *(contd.)* ₹ in Lacs

iv) Employee Leave Benefit Calculations *(contd.)*

e) Actuarial assumptions:				
Mortality Table		IALM 2006-2008		IALM 2006-2008
Discount Rate (per annum)		7.37%		8.00%
Expected rate of return on plan assets (per annum)		-		-
Rate of escalation in salary (per annum)		5.50%		6.00%
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 ₹451.89 lacs (Previous Year ₹394.69 lacs).

The foregoing information relates to Parent Company.

26. FINANCE COSTS ₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expense	2745.35	3067.20
Other Borrowing Cost	94.90	157.61
Total	**2840.25**	**3224.81**

26.1 Borrowing Cost capitalised during the year ₹ Nil (Previous year ₹175.21 lacs). (Refer Note No. 11.2)

27. DEPRECIATION & AMORTISATION EXPENSE ₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Depreciation Expense	3565.28	3394.67
Amortisation Expense	120.09	103.09
	3685.37	3497.76
Less : Transfer to Pre-Operative Expenses	-	0.74
Total	**3685.37**	**3497.02**

28. OTHER EXPENSES

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumption of stores and spares	861.76	609.04
Power & Fuel	2673.91	2710.52
Rent	969.94	1007.39
Repairs to buildings	61.69	79.32
Repairs to machinery	813.00	583.62
Insurance	239.61	255.02
Rates and taxes	257.43	748.61
Travelling expenses	1569.91	1391.31
Freight & delivery expenses	2732.91	2732.21
Export Expenses	2337.49	2159.51
Advertisement & Sales promotion	4496.26	5888.04
Auditors' Remuneration	56.78	55.18
Secretarial Auditor's Remuneration	1.01	1.00
Expenditure on CSR Activities	67.76	70.11
Bank Charges	149.72	317.44
Provision for Doubtful Debts	268.22	92.68
Investment written off	-	1.00
Loss on Sale / Discard of Assets	19.07	28.68
Directors' Sitting Fees *	8.39	9.57
Independent Directors' Commission *	34.50	25.76
Miscellaneous Expenditure written off	25.02	21.97
Other General Expenses	3726.53	3526.23
Total	**21370.91**	**22314.21**

* Inclusive of Service tax

28.1 CONSUMPTION OF STORES AND SPARES

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Imported	83.13	93.50
Indigenous	778.63	515.54
Total	**861.76**	**609.04**

28.2 AUDITORS' REMUNERATION

₹ in Lacs

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
As Auditors	54.99	53.44
For other services	1.79	1.74
Total	**56.78**	**55.18**

Note : Fees are exclusive of cenvatable service tax

28.3 CONTRIBUTION FOR CSR ACTIVITIES

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
(a) Gross Amount required to be spent by the Company during the year		67.47		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		38.98		34.00
- Contribution towards Education of Orphan Girl Child		22.77		36.11
- Contribution towards promotion of education, health & livelyhood		6.01		-
		67.76		**70.11**

29 EARNINGS PER SHARE

₹ in Lacs

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
Calculation of weighted average number of equity shares of ₹5 each				
No of Shares at the beginning of the year		24136374		24136374
Total number of equity shares outstanding at the end of the year		24136374		24136374
Weighted average number of equity shares outstanding during the year		24136374		24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	4979.86		3770.26
BASIC EARNINGS PER SHARE	₹	**20.63**		**15.62**
Total no of Shares including pending allotment at the beginning of the year				
Total no. of equity shares including pending allotement outstanding at the end of the year				
Weighted average number of equity shares outstanding during the year		24136374		24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	4979.86		3770.26
DILUTED EARNINGS PER SHARE	₹	**20.63**		**15.62**

Consolidated Notes on Financial Statements for the year ended 31st March 2017

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, 2017

Information about Business Segments - Primary

₹ in Lacs

Reportable Segment	Laminate & Allied Products		Veneer & Allied Products		Un Allocated		Total	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
REVENUE								
External Sales	92601.78	87982.45	15446.89	15733.08	-	-	108048.67	103715.53
Inter-segment Sales	-	-	-	-	-	-	-	-
Gross Sales	92601.78	87982.45	15446.89	15733.08	-	-	108048.67	103715.53
Less : Excise Duty	2407.74	2536.98	1645.85	1799.63	-	-	4053.59	4336.61
Net Sales	**90194.04**	**85445.47**	**13801.04**	**13933.45**	**-**	**-**	**103995.08**	**99378.92**
Other Operating Income	3569.95	3595.19	27.97	-	-	-	3597.92	3595.19
Revenue from Operation	**93763.99**	**89040.66**	**13829.01**	**13933.45**	**-**	**-**	**107593.00**	**102974.11**
RESULT								
Segment Result	13445.52	11442.08	(98.66)	499.70	-	-	13346.86	11941.78
Unallocated Corporate Expenses					3001.18	2560.86	3001.18	2560.86
Operating Profit							**10345.68**	**9380.92**
Less : Interest Expense					2840.25	3,224.81	2840.25	3224.81
Add : Interest Income					115.96	83.27	115.96	83.27
Profit before Tax							**7621.39**	**6239.38**
Current Tax							2,839.96	1,322.23
Deferred Tax							(199.61)	1,146.33
Profit after Tax							**4981.04**	**3770.82**
OTHER INFORMATION								
Segment Assets	51297.47	59885.58	22369.56	20771.27	4236.57	6352.35	77903.60	87009.20
Segment Liabilities	19259.50	18747.41	2571.37	3121.10	1360.30	995.74	23191.17	22864.25
Loan Fund					22459.01	36527.30	22459.01	36527.30
Deferred Tax Liabilities (Net)					2452.83	2641.30	2452.83	2641.30
Minority Interest					8.04	7.03	8.04	7.03
Shareholders' Funds					29792.55	24969.32	29792.55	24969.32
Total Liabilities							**77903.60**	**87009.20**
Capital Expenditure	1524.56	3547.38	668.43	1810.86	338.19	58.63	2531.18	5416.87
Depreciation	2546.41	2485.97	872.43	778.35	266.53	232.70	3685.37	3497.02

Secondary Segment - Geographical by location of customers

₹ in Lacs

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2017	For the year ended 31.03.2016
Within India	59656.19	57451.13	71669.08	76658.17	2534.63	5237.25
Outside India	44338.89	41927.79	6234.52	10351.03	(3.45)	179.62
	103995.08	**99378.92**	**77903.60**	**87009.20**	**2531.18**	**5416.87**

30. 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.

Veneered & Allied Products: The Segment is engaged in the business of manufacturing of Decorative veneers, Engineered Wood Flooring 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).

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) 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. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18 *(contd.)*

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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Sale of Products						
Greenply Industries Ltd.	-	-	213.51	208.27	-	-
Seema Realcon Pvt Ltd	-	-	-	-	2210.96	680.58
Total	**-**	**-**	**213.51**	**208.27**	**2210.96**	**680.58**
Purchase of Products						
Greenply Industries Ltd.	-	-	116.20	168.42	-	-
Total	**-**	**-**	**116.20**	**168.42**	**-**	**-**
Rent Paid						
Himalaya Granites Ltd.	-	-	49.60	47.25	-	-
Greenply Industries Ltd.	-	-	0.60	0.60	-	-
Total	**-**	**-**	**50.20**	**47.85**	**-**	**-**
Remuneration Paid/ Provided						
Mr. Saurabh Mittal	377.16	324.05	-	-	-	-
Mrs. Parul Mittal	225.60	171.60	-	-	-	-
Mr. Vijay Kumar Chopra#	14.89	11.78	-	-	-	-
Mrs. Urvashi Saxena#	14.15	11.78	-	-	-	-
Ms. Sonali Bhagwati Dalal#	13.85	11.78	-	-	-	-
Mr. Ashok Kumar Sharma	92.03	77.83	-	-	-	-
Mr. Prakash Kumar Biswal	37.07	28.20	-	-	-	-
Total	**774.75**	**637.02**	**-**	**-**	**-**	**-**

Amount outstanding as at Balance Sheet date

₹ in Lacs

Particulars	Key Management Personnel		Enterprises Owned/Influenced by Key Management Personnel or their relatives		Relatives of Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Sale of Products						
Greenply Industries Ltd.	-	-	31.53	35.94	-	-
Seema Realcon Pvt Ltd	-	-	-	-	220.07	47.24
Total	**-**	**-**	**31.53**	**35.94**	**220.07**	**47.24**
Trade Payable						
Greenply Industries Ltd.	-	-	22.57	10.41	-	-
Total	**-**	**-**	**22.57**	**10.41**	**-**	**-**
Remuneration Payable						
Mr. Saurabh Mittal	-	15.32	-	-	-	-
Mrs. Parul Mittal	-	8.40	-	-	-	-
Mr. Ashok Kumar Sharma	-	6.08	-	-	-	-
Mr. Prakash Kumar Biswal	-	2.24	-	-	-	-
Total	**-**	**32.04**	**-**	**-**	**-**	**-**

* Amount due from Seema Realcon Pvt Ltd is exclusive of ₹243.36 lacs (Previous Year ₹Nil), received through Channel Finance Facility from a Bank.

#Amount inclusive of service tax.

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/(gain) of ₹(17.07) lacs (Previous year ₹185.56 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, 2017 are summarized below:

₹ in Lacs

	As at 31st March, 2017		As at 31st March, 2016	
Amount due within one year		41.07		51.34
Amount due between one year and five years		5.12		46.21
Total		**46.19**		**97.55**

34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENEDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date :

₹ in Lacs

Particulars	As at 31st March, 2017		As at 31st March, 2017	
	Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Purchase (Hedging of Buyers Credit)		-		1300.37
Purchase (Hedging of Trade Payables)		1613.40		4613.46
Foreign Currency Term Loans		513.21		-

Interest Rate Swap

Notional amount USD 23.68 Lacs ₹1539.64 Lacs (Previous year USD 39.46 Lacs ₹ 2614.41 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 :

₹ in Lacs

Particulars	As at 31st March, 2017		As at 31st March, 2017	
	Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Foreign Currency Term Loans		1346.53		10712.71
Buyers Credit		-		681.76
Trade Payables		3372.85		3084.93
Advance to Vendors		693.46		1607.08
Trade Receivables		8261.16		9987.64
Advance from Customers		21.68		211.30

Consolidated Notes on Financial Statements for the year ended 31st March 2017

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

		For the year ended 31st March, 2017		For the year ended 31st March, 2016	
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. INFORMATION REGARDING SPECIFIED BANK NOTES (SBN):

₹ in Lacs

	Specified Bank Notes	Other Bank Notes	Total
Closing cash in hand as on 8 November 2016	9.13	5.96	15.09
(+) Permitted receipts	-	16.56	16.56
(-) Permitted payments	-	14.72	14.72
(-) Amount deposited in banks	9.13	-	9.13
Closing cash in hand as on 30 December 2016	-	7.80	7.80

37. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

38. 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

(Dindayal Dhandaria)
Partner
Membership No. 010928
Place of Signature : New Delhi
Dated : 25th May, 2017

Saurabh Mittal
Managing Director and CEO
(DIN : 00273917)

Ashok Kumar Sharma
Chief Financial Officer

Shiv Prakash Mittal
Non Executive Chairman
(DIN : 00237242)

Prakash Kumar Biswal
Company Secretary & AVP - Legal

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 2016-17.

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