

FORM NO. CAA.3

[Pursuant to section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]
Company Application No. CA (C.A.A.)/09/GB/2018
Greenply Industries Limited First Applicant Company

In the matter of Composite Scheme of Arrangement between Greenply Industries Limited having CIN L20211AS1990PLC003484 (Demerged Company) and Greenpanel Industries Limited having CIN U20100AS2017PLC018272 (Resulting Company) and their respective shareholders and creditors.

NOTICE UNDER SECTION 230(5) OF THE COMPANIES ACT, 2013

To,
The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Symbol - GREENPLY

PAN of Greenply Industries Limited: AAACG7284R

Respected Sir/Madam,

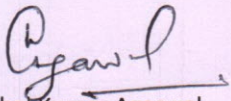
Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Hon'ble National Company Law Tribunal, Guwahati Bench by an order dated December 12, 2018 passed in Company Application No. CA(C.A.A.)/09/GB/2018, under sections 230-232 read with section 66 of the Companies Act, 2013, a meeting of the creditors of Greenply Industries Limited shall be held at its registered office at Makum Road, Tinsukia-786 125, Assam on February 4, 2019 at 11:30 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed composite arrangement embodied in the Composite Scheme of Arrangement between the Demerged Company, the Resulting Company and their respective shareholders and creditors (hereinafter referred to as the 'Scheme').

A copy of the notice to convene creditors meeting (along with the explanatory statement) and copy of the Composite Scheme of Arrangement and copy of the order dated December 12, 2018 passed by Hon'ble National Company Law Tribunal, Guwahati Bench in the aforementioned Company Application CA (C.A.A.)/09/GB/2018 are attached herewith.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Hon'ble National Company Law Tribunal, Guwahati Bench, within thirty (30) days from the date of receipt of this notice. The address of the Hon'ble National Company Law Tribunal, Guwahati Bench is G S Road, South Sarania, Lachit Nagar, Guwahati, Assam-781 003. Copy of the representation may simultaneously be sent to Greenply Industries Limited at its registered office at Makum Road, Tinsukia-786 125, Assam.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed Scheme.

Thanking you
Yours faithfully,
For Greenply Industries Limited


Kaushal Kumar Agarwal
Company Secretary &
Vice President-Legal



Dated this 2nd day of January, 2019
Place: Kolkata

Enclosures:

Notice convening creditors meeting
Composite Scheme of Arrangement
Order dated 12.12.2018 passed by the Hon'ble National Company Law Tribunal, Guwahati Bench

GREENPLY INDUSTRIES LIMITED

Registered Office Address: Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India.

Corporate Office Address: "Madgul Lounge", 5th & 6th Floor, 23 Chetla Central Road, Kolkata 700027,
West Bengal, India

CIN: L20211AS1990PLC003484

Tel: 033 3051 5000

Fax: 033 3051 5010

E-mail: kaushal@greenply.com

Website: www.greenply.com

MEETING OF THE CREDITORS OF GREENPLY INDUSTRIES LIMITED CONVENED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, GUWAHATI BENCH

MEETING:	
Day	Monday
Date	4 th February 2019
Time	11:30 a.m.
Venue	Registered Office of the Company at Makum Road, Tinsukia-786125, Assam
POSTAL BALLOT:	
Start Date	5 th January 2019 at 10:00 a.m.
Last Date	3 rd February 2019 at 05:00 p.m.

Sr. No.	Contents	Page No.
1.	Notice convening the meeting of the creditors of Greenply Industries Limited (" Company " or " Demerged Company ") as per the directions of the National Company Law Tribunal, Guwahati Bench (" NCLT ").	4
2.	Explanatory Statement under Section 230 read with Section 232 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013.	12
3.	Annexure A Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.	27

4.	Annexure B (I) Observation Letter dated November 15, 2018 from the National Stock Exchange of India Limited (“NSE”) conveying no objection to the Scheme.	41
5.	Annexure B(II) Observation Letter dated November 15, 2018 from BSE Limited (“BSE”) conveying no objection to the Scheme.	43
6.	Annexure C Complaints Report dated September 3, 2018 submitted by the Company to BSE, NSE and also uploaded on the Company’s Website.	45
7.	Annexure D Copy of the Compliance Report.	47
8.	Annexure E Copy of the report adopted by the Board of Directors (“Board”) of the Demerged Company/ Resulting Company in respect of effect of the Scheme on each class of shareholders, key managerial personnel, director, promoters and non-promoter shareholders.	48
9.	Annexure F Copy of the Share Entitlement Ratio Report obtained from M/s. S.P. Shaw & Co., Chartered Accountants, dated May 29, 2018.	53
10.	Annexure G Statutory Auditor’s certificate in respect of the accounting treatment proposed in the Scheme.	58
11.	Annexure H Copy of Fairness Opinion from Merchant Banker.	62
12.	Annexure I – I Audited financial statements of the Demerged Company and the Resulting Company as on March 31, 2018.	72
13.	Annexure I – II Unaudited financial results of the Demerged Company and unaudited financial statements of the Resulting Company as on September 30, 2018.	223
14.	Annexure J Order of the NCLT pursuant to which the meeting is to be convened.	231
15.	Annexure K (I) Pre – Scheme and proposed Post-Scheme shareholding pattern of the Resulting Company.	238
16.	Annexure K(II) Pre – Scheme and proposed Post-Scheme shareholding pattern of the Demerged Company.	242

17.	Annexure L Applicable information of the Resulting Company in the format specified for the abridged prospectus.	246
18.	Attendance Slip	251
19.	Proxy Form	253
20.	Postal Ballot Form with instructions and self-addressed postage pre-paid Business Reply Envelope (in loose leaf form)	

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
COMPANY APPLICATION NO CA (C.A.A.)/09/GB/2018**

In the matter of the Companies Act, 2013;

And

In the matters of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors.

Greenply Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Makum Road, P.O Tinsukia, Tinsukia 786125, in the state of Assam, India.

---First Applicant Company/ Demerged Company

**NOTICE GIVEN PURSUANT TO THE ORDER DATED DECEMBER 12, 2018 OF THE NATIONAL COMPANY LAW
TRIBUNAL, GUWAHATI BENCH**

To,

The Creditors of Greenply Industries Limited ("Demerged Company")

Notice is hereby given that by an order dated December 12, 2018 ("**Order**"), the Guwahati Bench of the National Company Law Tribunal has directed a meeting to be held of the creditors of Greenply Industries Limited ("**Demerged Company**") for the purpose of considering, and if thought fit, approving with or without modification, the arrangement proposed to be made between the Demerged Company and Greenpanel Industries Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 read with Section 66 of the Companies Act, 2013.

In pursuance of the Order and as directed therein, further notice is hereby given that the meeting of the creditors of the Demerged Company will be held at the registered office of the Company at Makum Road, Tinsukia-786125, Assam on Monday, 4th February, 2019 at 11:30 a.m., at which time and place creditors are requested to attend.

At the meeting, following resolutions will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, applicable rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India’s Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended from time to time), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time), No objection letter / observation letters dated November 15, 2018 issued by the National Stock Exchange of India Limited and the BSE Limited, respectively, relevant provisions of the Memorandum and Articles of Association of the Company, and subject to sanction/approval(s) of National Company Law Tribunal (“NCLT”), and such other approvals, sanctions and permissions of other regulatory or government bodies /tribunals or institutions as may be applicable, and subject to such conditions and modification(s) as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company/Demerger Committee of the Board of Directors of the Company (hereinafter referred to as the “Board”), the Composite Scheme of Arrangement between Greenply Industries Limited (“Demerged Company”) and Greenpanel Industries Limited (“Resulting Company”) (presently wholly owned subsidiary company of the Demerged Company) and their respective shareholders and creditors (“Scheme”), which provides for the demerger of the Transferred Business (as defined in the Scheme) and transfer and vesting thereof into the Resulting Company, a copy of which is enclosed with this notice and placed before this meeting and initialed by the Chairperson or the Alternate Chairperson of the meeting, as the case may be, for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by NCLT while sanctioning the Scheme or by any authorities under law, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board

may deem fit and proper, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the creditors of Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

TAKE FURTHER NOTICE that the creditors of the Demerged Company may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by them or their authorized representative, is deposited at the registered office of Greenply Industries Limited at Makum Road, P.O Tinsukia, Tinsukia 786125, Assam, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of Greenply Industries Limited or at the office of its advocates at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar, Guwahati-781001, on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m. and is also annexed to this notice.

TAKE FURTHER NOTICE that the creditors of the Demerged Company may cast their vote either through postal ballot or through poll at the venue of the meeting. The voting rights of the creditors of the Demerged Company shall be in proportion to the principal amount due in the name of the respective Creditor as on Friday, December 21, 2018, being the cut-off date.

It is clarified that the votes cast by means of postal ballot does not disentitle the creditor as on the cut-off date, that is December 21, 2018 from attending the meeting. However, the creditors who have cast their votes by postal ballot will not be eligible to cast their votes at the meeting. It is further clarified that votes may be cast personally or by proxy at the meeting as provided in the notice. The creditors desiring to exercise their votes by postal ballot are requested to carefully read the instructions printed in the enclosed postal ballot form and return the postal ballot form duly completed in the attached self-addressed postage prepaid Business Reply Envelope, so as to reach the scrutinizer not later than 5:00 p.m. on Sunday, 3rd February, 2019. If any postal ballot is received after 5:00 p.m. on Sunday, 3rd February, 2019, it will be considered that no reply from the creditor has been received.

Copy of the said Scheme, and of the statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**Explanatory Statement**”) and the form of proxy can be obtained free of charge at the registered office of the Demerged Company or at the office of its advocates at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar, Guwahati-781001 on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m.

NCLT has appointed Mr. Shiv Prakash Mittal, Executive Chairman of the Demerged Company as the Chairperson and failing him, Mr. Susil Kumar Pal, Independent Director of the Demerged Company as the Alternate Chairperson of the said Meeting, including for any adjournment or adjournments thereof.

A copy of the above mentioned Explanatory Statement, the said Composite Scheme of Arrangement and other enclosures including the Form of Proxy, Attendance Slip and the Postal Ballot Form are enclosed and form part of the Notice.

The above mentioned Scheme, if approved by the meeting, will be subject to subsequent approval of the NCLT.

Sd/-

Shiv Prakash Mittal

(DIN: 00237242)

The Chairperson appointed for the meeting

Date: 24th December, 2018

Place: Kolkata

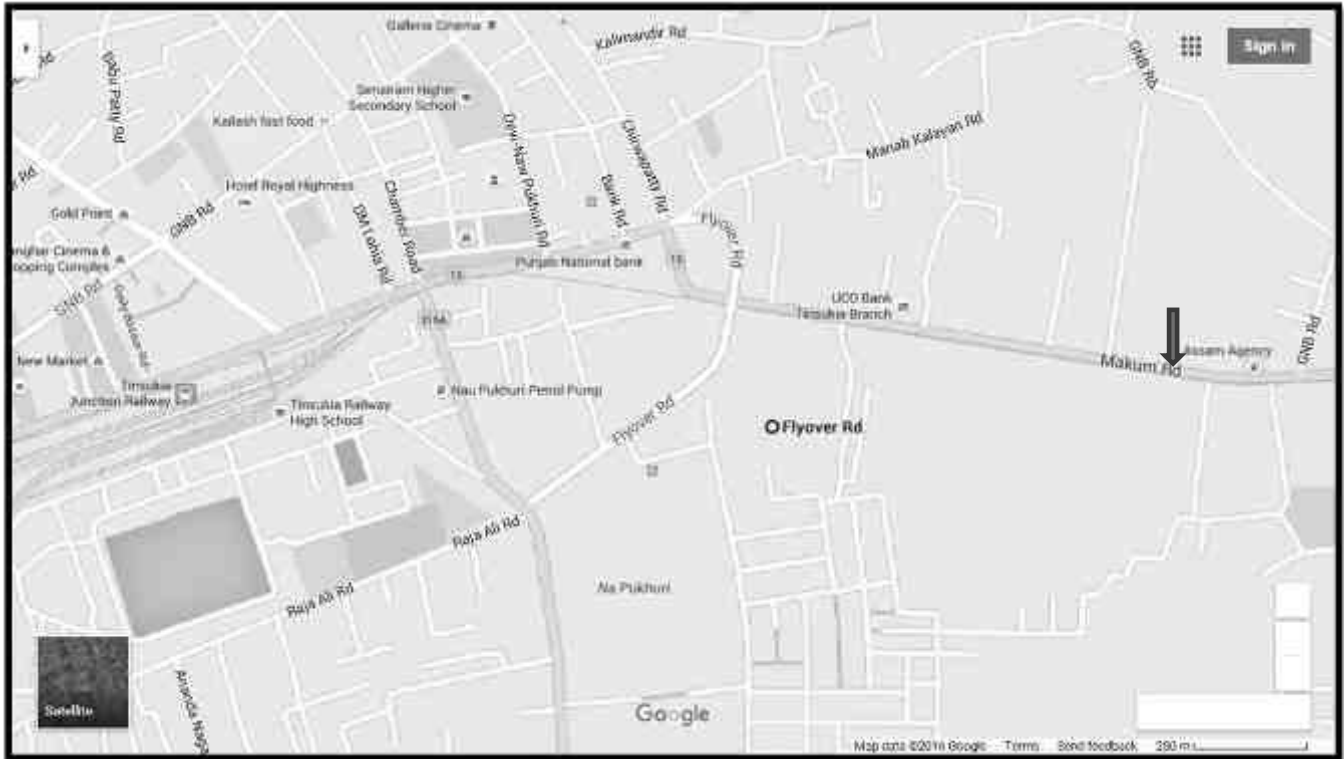
Registered office: Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India

CIN: L20211AS1990PLC003484

Email: kaushal@greenply.com

Website: www.greenply.com

Route map for the meeting venue: Registered Office of the Company at Makum Road, Tinsukia-786125,
Assam



↓ **GREENPLY INDUSTRIES LIMITED**
MAKUM ROAD, TINSUKIA
ASSAM – 786 125

Notes:

1. Only the creditors of the Demerged Company can attend and vote at the meeting and are also entitled to appoint a proxy to attend the meeting and vote in his/her/their stead. The instrument appointing a proxy, in order to be effective, must be deposited at the registered office of the Company, duly completed, stamped and signed, not less than 48 (forty – eight) hours before the scheduled time for holding the meeting. A blank proxy form is annexed to this Notice and can also be obtained free of charge from the registered office of the Company or at the office of its advocates at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar,

Guwahati-781001 on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m.

2. In case of Body Corporates, Companies, Trusts, Societies, Institutions etc., a duly completed Postal Ballot Forms should be signed by its authorised signatories. In such cases the duly completed Postal Ballot Forms should also be accompanied by a certified true copy of the Board resolution / Authority letter together with the specimen signature(s) of the authorised signatory(ies) duly verified.
3. All alterations made in the form of proxy should be initialed.
4. The Statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is annexed hereto.
5. NCLT by its Order dated 12th December 2018 (“**Order**”) has directed that the meeting of the creditors of the Company shall be convened and held at the registered office of the Company at Makum Road, Tinsukia-786125, Assam on Monday, 4th February, 2019 at 11:30 a.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme.
6. The Notice, Explanatory Statement together with the accompanying documents, is being sent to all the creditors whose names appear in the books of accounts of the Demerged Company. The Notice will be displayed on the website of the Company viz. www.greenply.com and on the website of the BSE and NSE and shall also be sent to the Securities and Exchange Board of India.
7. Physical copy of the notice, Explanatory Statement together with the accompanying documents is being sent to the creditors through permitted mode.
8. The creditors of the Company have also been provided with the facility to cast their votes through postal ballot. Therefore, the creditors may cast their vote through postal ballot or through poll at the venue of the meeting.

Further, the creditors who have cast their vote through postal ballot, may attend the meeting but shall not be allowed to vote again thereat.
9. The quorum of the meeting of the creditors of the Company shall be 5 (five) creditors present in person or through proxy. In case the quorum as noted above for the Meeting is not complete at the scheduled time, then the meeting shall be adjourned by half an hour, and thereafter, the person

present at the meeting shall be deemed to constitute the quorum. For the purposes of quorum, valid proxies will also be considered, if the proxy in the prescribed form, duly signed by the persons entitled to attend and vote at the meeting is filed with the registered office of the Demerged Company at least 48 hours before the meeting.

10. Creditors / Proxies / Authorised Representative(s) may kindly note the following:
- (i) Copies of the Notice will not be distributed at the venue of the Meeting;
 - (ii) Attendance Slip, sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the Meeting;
 - (iii) Entry to the hall will be in exchange for duly completed and signed Attendance Slips; and
11. The documents referred to in the Notice and accompanying Explanatory Statement shall be available for inspection without any fee by the creditors on all working days (except Saturdays, Sundays and Public holidays) during 10:00 a.m. to 4:00 p.m. at the registered office of the Company, from the date of dispatch of this Notice till the date of the Meeting.
12. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given at the registered office of the Company.
13. The voting through postal ballot will be available during the following period:

Start Date	From 10:00 a.m. on 5 th January, 2019
Last Date	Up to 5:00 p.m. on 3 rd February, 2019

During the aforesaid period, the creditors of the Company as on December 21, 2018, that is, the cut-off date, may cast their vote through postal ballot. Votes received through postal ballot beyond this period shall not be considered. Once the vote on the resolution is cast by the creditor, he or she or they shall not be allowed to change it subsequently.

14. In terms of the directions contained in the Order, the advertisement will be published in "Assam Tribune" in English language and translation thereof in "Dainik Janambhumi" in Assamese Language, circulated in the State of Assam and also in "Business Standard" (All English Edition) indicating the day, date, place and time of the meeting and stating that the copies of the Scheme and the form of Proxy can be obtained free of charge on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m. from the registered office of the Company or from the office of its advocates at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar, Guwahati-781001.

15. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only on receipt of approval to the Scheme by the requisite majority of creditors of the Demerged Company as per the applicable laws and regulations.
16. NCLT has appointed, Mr. Dilip Kumar Sarawagi, of DKS & Co. (ACS 13020 C.P. NO. 3090), Practicing Company Secretaries of 173, M. G. Road, 1st Floor, Kolkata 700007, as the Scrutinizer to scrutinize the voting through postal ballot and voting at the venue of the Meeting.
17. The Scrutinizer will submit his report to the Chairman of the Meeting, after completion of scrutiny of votes cast by the creditors of the Company, through poll and postal ballot. The Scrutinizer's decision on the validity of the votes shall be final. The results of the voting on the resolution(s) set out in the Notice, will be announced on or before 6th February, 2019. The results, together with the Scrutinizer's report, will be displayed on the notice board of the Company at its registered office, on the website of the Company viz. www.greenply.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

VOTING THROUGH POSTAL BALLOT

18. A postal ballot form along with self-addressed postage pre-paid Business Reply Envelope is enclosed in loose leaf form. The creditors voting through postal ballot are requested to carefully read the instructions printed in the enclosed postal ballot form. The creditors can download the postal ballot form from the website of the Demerged Company or seek a duplicate postal ballot form from the Demerged Company. The creditors who have not received the postal ballot form may apply to the Demerged Company and obtain a duplicate copy. Creditors shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage prepaid Business Reply Envelope to the scrutinizer so as to reach the scrutinizer before 5:00 p.m. on Sunday, 3rd February, 2019. Any postal ballot form received after such period shall be treated as if the reply from the creditor has not been received.
19. The Postal Ballot Form should be completed and signed by the creditors.
20. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. The vote on postal ballot cannot be exercised through proxy. In case of any grievances associated with voting through postal ballot, please contact Mr. Kaushal Kumar Agarwal, Company Secretary & Vice President-Legal at "Madgul Lounge", 6th Floor, 23 Chetla Central Road, Kolkata- 700 027, Phone: (033) 3051 5000; Email: kaushal@greenply.com.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
COMPANY APPLICATION NO CA (C.A.A.)/09/GB/2018**

In the matter of the Companies Act,
2013;

And

In the matters of Sections 230 to
232 read with Section 66 and other
applicable provisions of the
Companies Act, 2013;

And

In the matter of Composite Scheme
of Arrangement between Greenply
Industries Limited and Greenpanel
Industries Limited and their
respective shareholders and
creditors.

Greenply Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Makum Road, P.O Tinsukia, Tinsukia 786125, in the state of Assam, India.

---**First Applicant Company/ Demerged Company**

**EXPLANATORY STATEMENT UNDER SECTIONS 230, 232 AND 102 OF THE COMPANIES ACT, 2013 READ WITH
RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016
("EXPLANATORY STATEMENT")**

1. Pursuant to the order dated 12th December, 2018 ("**Order**"), passed by the Hon'ble National Company Law Tribunal, Guwahati Bench (the "**NCLT**") in Company Application Number CA (C.A.A.)/09/GB/2018, filed jointly by Greenply Industries Limited ("**Demerged Company**") and Greenpanel Industries Limited ("**Resulting Company**"), a meeting of the creditors of the Demerged Company, is being convened and is to be held at the registered office of the Demerged Company at Makum Road, Tinsukia-786125, Assam, on Monday, 4th February, 2019 at 11:30 a.m., for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement between the joint applicants (that is, the Demerged Company and the Resulting Company) and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**") under Sections 230 to 232 read

with Section 66 and other applicable provisions of the Companies Act, 2013 (the “Act”). A copy of the Scheme setting out details of parties involved in the proposed Scheme, Appointed Date, Effective Date etc. is enclosed as **Annexure A**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. In terms of the Order, quorum for the said meeting shall be 5 (five) creditors. In case the quorum as noted above for the meeting is not complete at the scheduled time, then the meeting shall be adjourned by half an hour and thereafter, the person(s) present at the meeting shall be deemed to constitute the quorum. For the purposes of quorum, valid proxies will also be considered, if the proxy in the prescribed form, duly signed by the persons entitled to attend and vote at the meeting is filed with the registered office of the Demerged Company at least 48 hours before the meeting. Further, in terms of the Order, the NCLT has appointed Mr. Shiv Prakash Mittal, Executive Chairman of the Demerged Company as the Chairperson of the meeting and failing him, Mr. Susil Kumar Pal, Independent Director of the Demerged Company as the Alternate Chairperson of the said meeting, including for any adjournment or adjournments thereof.
3. This Explanatory Statement is being furnished as required under Sections 230(3), 232(1) & (2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
4. The Demerged Company is seeking the approval of its creditors to the Scheme by way of postal ballot and through poll at the venue.
5. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only on receipt of approval to the Scheme by the requisite majority of the creditors of the Demerged Company as per the applicable laws and regulations.
6. If the entries in the books of account of the Demerged Company in relation to the principal outstanding amount/value, of the creditors are disputed, the Chairman of the meeting shall determine the amount/value, for the purposes of the said meeting.

A. BACKGROUND OF THE COMPANIES

Greenply Industries Limited

7. Greenply Industries Limited, was originally incorporated as “Mittal Laminates Private Limited” on November 28, 1990 under the Companies Act, 1956. The Company was converted into a public

limited company and the name was changed to Mittal Laminates Limited pursuant to a fresh certificate of incorporation dated November 1, 1994. Further the name was changed to Greenply Industries Limited pursuant to a fresh certificate of incorporation dated January 17, 1996 issued by the Registrar of Companies, Shillong. The Corporate Identification Number of the Demerged Company is L20211AS1990PLC003484. The registered office of the Demerged Company is situated at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India. The Permanent Account Number of the Demerged Company is AAACG7284R.

8. The email and website address of the Demerged Company is kaushal@greenply.com and www.greenply.com, respectively.
9. The Demerged Company is currently engaged in the business of manufacturing, marketing and trading of plywood, medium density fibre boards (MDF), pre-laminated MDF, wood floors, decorative veneers, doors and allied products.
10. The main objects of the Demerged Company set out in its Memorandum of Association are as under:

“III.(A) Main objects of the Company to be pursued on its incorporation:-

1. To cultivate, grow tobacco plants, piper, betel and areca and to manufacture, process, export, import and deal in products of tobacco, betel leaves and areca nuts, pan, pan masala, supari, cigarette, cigars, bidi, smoking mixture, tobacco pipes, tobacco pouches and cigarette papers.

2. To carry on the business in information technology, internet services, and to act as dealers, importers, exporters and manufacturers of computer, computer components, hardware, software, accessories, magnetic tapes, magnetic drums, magnetic discs, magnetic cards, magnetic core, magnetic tools, electronic audio and video equipments of all kinds of power supplies if generated or any customized specifications and all kinds of computer and microprocessor based system in India or abroad.

3. To carry on the business of Research and Development in the fields of Information Technology, Electronics, Computer Service and to make commercial use of the technologies so developed and to establish and run data processing and computer training centres and to import training on electronic data processing, computer software and hardware and to render consultancy services in the above field.

4. To carry on the business of manufacturers, dealers, importers and exporters of consumer goods, milk food, cooked foods, butter, cheese, infant food, dairy products, biscuits, tinned foods,

panmasala, soaps, detergents, food packaging, paper products and to act as processors of edible oil, essential oil and plantation crops.

5. To own and run saw mills and factories in all its forms for conversion of raw timber in the shape of planks, scantlings, sleepers veneers, battens, for tea chests plywood, hardboards, blockboards, chipboards, commercial and teak plywood, packing cases, windows, panel doors, flush doors, laminated sheets, doors, windows, sleepers, beams, planks, batten and other requisites of construction works and other forms of sawn timber allied commodities and to install such machineries as may be required for the manufacture of Ammunition Boxes, Cable drums, shoe heels, bobbing, shuttles, picking bands and such other parts and implements as may be required for textile, silk, woolen and jute industry and the tea gardens.

6. To carry on business of timber merchants, saw mill owners and timber growers and to buy, sell, grow, prepare, manipulate, import, export and deal in timber and wood of all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used and to carry on business as general merchants and to buy, clear, plant, and work on timber estates establish factories and workshop.

7. To carry on the business of exporters, importers, commission agents, distributors and to transact and carry on all kinds of agency and distribution business and act as selling agents of companies, and of firms or individuals.

8. To manufacture and/or deal in paper boards, hardboards, insulation boards, plywood, teakwood, C.P.Teak, firewood, plastic, laminated sheets, linoleum waxed paper and board, waterproofing materials tarpaulin, glass sheetings and fittings, resin, chemicals, plastic, bakelite, nylon, rubber and alkathene sheeting and tube and pipes etc, bamboos, firewood, rosewood, mango-wood, sandal wood, pine-wood and grasses, sabai, biri leaves and leaves of all products of forests, jungles.

9. To carry on manufacture and deal in wooden furniture, steel and cane furniture, decorators and builders etc, and to manufacture and deal in house furniture and fittings, interior decorators, motor body builders, commercial and industrial furniture and fittings and implements and tools of all description.

10. To plan, promote, generate, acquire by purchase in bulk, develop, distribute and accumulate power by wind, solar, hydro thermal, atomic, nuclear, biomass, coal, lignite, gas, ocean energy, geothermal or any other form by which energy, power can be produced and to transmit, distribute, sell

and supply such power for captive consumption by the company and/or for consumption by the others and to construct, lay down, establish, fix and carry out necessary power stations and projects.

11. During the last 5 (five) years, there has been no change in the name, registered office or objects of the Demerged Company.
12. It may be noted that the Demerged Company is a public limited company and its securities are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”).
13. The capital structure of the Demerged Company as on March 31, 2018 is as under:

Particulars	Rupees (INR)
CAPITAL:	
<u>Authorised:</u>	
16,00,00,000 equity shares of INR 1.00 each	21,00,00,000
50,00,000 Cumulative Redeemable Preference Shares of INR 10.00 each	
<u>Issued, Subscribed and Paid –up:</u>	
12,26,27,395 equity shares of INR 1.00 each	12,26,27,395

After March 31, 2018, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company. Further, the capital structure of the Demerged Company shall not change pursuant to the Scheme.

14. The names and addresses of the Promoters of the Demerged Company is provided below:

Names	Address
Shiv Prakash Mittal	Flat No.2 NW, 5 Queens Park, Kolkata 700019
Rajesh Mittal	13 Raja Santosh Road, Flat No. 3A & 3B, Kolkata 700027
Shobhan Mittal	46, Lakeshore View, Singapore 098401
Sanidhya Mittal	13 Raja Santosh Road, Flat No. 3A & 3B, Kolkata 700027

15. The list of directors of the Demerged Company along with their names and addresses is provided below:

Names	Address
Vinod Kumar Kothari	Sec-B, P-42, Metropolitan Co-op Housing Society, Kolkata - 700039
Shiv Prakash Mittal	Flat No.2 NW, 5 Queens Park, Kolkata 700019
Rajesh Mittal	13 Raja Santosh Road, Flat No. 3A & 3B, Kolkata 700027
Susil Kumar Pal	2 nd floor, Flat 2/A and 2/B,36, Tarasankar Sarani, Kolkata 700037

Shobhan Mittal	46, Lakeshore View, Singapore 098401
Anupam Kumar Mukherji	I-1625 , Chittaranjan Park New Delhi 110019
Sonali Bhagwati Dalal	S-296, Greater Kailash II, New Delhi 110048
Upendra Nath Challu	A34/1,AFOCHS, Laxmi Narayana Temple, Sainikpuri, Tirumal Agiri, Hyderabad 500094
Sanidhya Mittal	13 Raja Santosh Road, Flat No. 3A & 3B, Kolkata 700027

Greenpanel Industries Limited

16. Greenpanel Industries Limited was incorporated on December 13, 2017 as a public company limited by shares. The Corporate Identification Number of the Resulting Company is U20100AS2017PLC018272. The registered office of the Resulting Company is situated at Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam. The Permanent Account Number of the Resulting Company is AAHCG1211B.
17. The email and website address of the Resulting Company is banibrata.desarkar@greenpanel.com and www.greenpanel.com respectively.
18. The objects of the Resulting Company set out under Clause 3(a) of its Memorandum of Association are as under:
- “To carry on business as manufacturers, traders, exporters, importers, dealers, wholesalers, retailers, service providers, commission agents, of medium density fibreboard (MDF), high density fibreboard (HDF), wooden flooring, plywood, particle board, doors, laminated wooden flooring, laminates of all sizes and descriptions, veneers, pre-laminated board, decorative laminates, decorative laminated sheets, high pressure laminates, post forming laminates, decorative veneers, ready to install doors, high-end doors, High-end Veneered Engineering Flooring and Pre-laminated Particle Board of all kinds and descriptions and other paper based, wood based and plastic based products of all kinds and descriptions and industrial laminated sheets, compact laminates of every descriptions, post formed panels, whether laminated or not, restroom cubicles, lockers and every type of partition systems and to act decorators and manufacturers and deal in housing furniture and fittings, interior decorators, commercial and industrial furniture and fittings and implements and tools of all descriptions and provide consultancy in total interior and exterior decoration and furniture solution.”*
19. There is no change in the name, registered office and the objects of the Resulting Company since its incorporation.

20. It may be noted that the Resulting Company is a public limited company and its securities are not listed on any stock exchange.

21. The capital structure of the Resulting Company as on March 31, 2018 is as under:

Particulars	Rupees(INR)
CAPITAL:	
<u>Authorised:</u> 1,00,00,000 equity shares of INR 1.00 each	1,00,00,000
<u>Issued, Subscribed and Paid -up:</u> 10,00,000 equity shares of INR 1.00 each	10,00,000

After March 31, 2018, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company.

The proposed capital structure of the Resulting Company post the completion of demerger will be as under:

Particulars	Rupees (INR)
CAPITAL:	
<u>Authorised:</u> 15,00,00,000 equity shares of INR 1.00 each	15,00,00,000
<u>Issued, Subscribed and Paid -up:</u> 12,26,27,395 equity shares of INR 1.00 each	12,26,27,395

22. The name and address of the Promoter(s) of the Resulting Company is provided below:

Name of the Promoter	Address
Greenply Industries Limited	Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India

23. The list of Directors of the Resulting Company is provided below:

Name	Address
Shiv Prakash Mittal	Flat No.2NW, 5 Queens Park, Kolkata-700 019
Rajesh Mittal	Flat 3A &B, 13 Raja Santosh Road, Kolkata - 700027

Shobhan Mittal	46, Lakeshore View, Singapore 098401
Salil Kumar Bhandari	A-42, Chittaranjan Park, New Delhi - 110019
Sushmita Singha	E-421, 1 st Floor, Greater Kailash-II, New Delhi - 110048
Mahesh Kr Jiwrajka	C-473, second floor, Defence Colony, New Delhi - 110024

B. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

24. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

C. BOARD MEETING OF THE DEMERGED COMPANY AND THE RESULTING COMPANY FOR APPROVAL OF THE SCHEME

25. The Scheme has been unanimously approved by the Board of Directors of the Demerged Company vide resolution passed in the meeting held on May 30, 2018. Out of total 9 directors of the Demerged Company, 5 directors were present in the Meeting, all of whom voted in favour of the resolution. The details of voting by Directors on the resolution is as under:

Name of the Directors	Designation	Voted in Favor	Voted Against	Abstained from Voting
Shiv Prakash Mittal	Executive Chairman	Yes	NA	NA
Sanidhya Mittal	Executive Director	Yes	NA	NA
Susil Kumar Pal	Independent Director	Yes	NA	NA
Vinod Kumar Kothari	Independent Director	Yes	NA	NA
Upendra Nath Challu	Independent Director	Yes	NA	NA

26. The Scheme has been unanimously approved by the Board of Directors of the Resulting Company vide resolution passed in the meeting held on May 30, 2018. Out of total 3 directors as on that date, 2 directors of the Resulting Company were present in the meeting, and voted in favour of the resolution. The details of voting by directors on the resolution is as under:

Name of the Directors	Designation	Voted in Favor	Voted Against	Abstained from Voting
Shiv Prakash Mittal	Director	Yes	NA	NA
Rajesh Mittal	Director	Yes	NA	NA

D. DETAILS OF THE SCHEME

27. The parties to the Scheme are the Demerged Company and the Resulting Company along with their respective shareholders and creditors.

28. The “**Appointed Date**” of the Scheme is April 1, 2018. The “**Effective Date**” means the date on which certified copies of the orders of the NCLT sanctioning this Scheme are filed with the Registrar of Companies at Shillong by the Demerged Company and the Resulting Company and if such filing is made on different dates, then the last of such dates.

29. Share Exchange Ratio

The Resulting Company shall, for every 1 (one) fully paid – up equity share of INR 1 (Indian Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date, 1 (one) fully paid – up equity share of INR 1 (Indian Rupee One) each, of the Resulting Company .

30. Rationale for the Scheme and benefits of the Scheme as perceived by the Board of Directors of the Demerged Company are:

- (i) Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.
- (ii) Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company.
- (iii) Provide enhanced strategic flexibility in the operation of each of the businesses.
- (iv) Expanding the potential client / customer market for each business vertical.
- (v) Access to various sources of funds and investments for the rapid growth of both the businesses.
- (vi) The nature of technology, risk, competition and capital intensity involved in each of the undertakings of the Demerged Company is distinct from each other. Consequently, each undertaking of the Demerged Company is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors,

strategic partners, lenders and other stakeholders. Hence, as part of an overall business reorganisation plan, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging the Demerged Undertaking to the Resulting Company in the manner and on the terms and conditions contained in the Scheme.

- (vii) Pursuant to the Scheme, all Shareholders of the Demerged Company as on the Record Date will receive equity shares in the Resulting Company and subsequently, such Shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such Shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.
- (viii) The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the Companies and in the growth and development of their respective businesses.

31. Salient Features of the Scheme:

The Scheme provides for the transfer of the Demerged Undertaking (as defined in the Scheme) to the Resulting Company. There will be no change in the shareholding pattern of the Demerged Company. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the said Undertaking into the Resulting Company, the Resulting Company shall, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the record date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company. Further, upon issue of the new equity shares to the Shareholders of the Demerged Company on the record date, all existing equity shares held by the existing shareholders of the Resulting Company (i.e. not including the shareholders of the Demerged Company on the record date), shall stand cancelled, without any further act or deed.

Within 36 (thirty six) months from the listing of the equity shares of the Resulting Company, there shall be a realignment of shareholding among promoters and promoter group of the Demerged Company and the Resulting Company as set out in the Scheme.

The equity shares to be issued pursuant to the Scheme in the Resulting Company will be listed with BSE Ltd. and National Stock Exchange of India Limited.

32. **Valuation Report:** The requirement of the valuation report is not applicable for the Scheme as there is “no change in the shareholding pattern” of the Demerged Company and the Resulting Company in

terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. However, the share entitlement ratio provided in the report by M/s. S.P. Shaw & Co., Chartered Accountants (FRN 314229E), Kolkata has been taken on record and the same is available for inspection at the registered office of the Demerged Company.

33. Details of capital or debt restructuring, if any: Basis the share exchange ratio mentioned above, the shareholders of the Demerged Company shall be provided with shares of the Resulting Company in the ratio of 1:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.
34. Amount due to unsecured creditors as on 15th November 2018:

Demerged Company		Resulting Company	
Number	Amount (INR)	Number	Amount (INR)
1321	3,72,18,39,984/-	1	4,10,00,000

E. APPROVALS/ SANCTIONS/NO-OBJECTIONS FROM REGULATORY OR GOVERNMENTAL AUTHORITY RECEIVED OR PENDING

35. The BSE Limited was appointed as the designated stock exchange by the Demerged Company for the purpose of co-ordinating with the SEBI, pursuant to the SEBI Circular.
36. The Demerged Company received “no adverse observation letter” and “no-objection letter” from BSE and NSE respectively, each dated November 15, 2018 conveying their “no adverse observations” and “no-objection” for filing the Scheme with NCLT.

Copies of the aforesaid “no-objection letter” and “no adverse observations letter” of NSE and BSE, respectively, are enclosed as **Annexure B (I) and Annexure B(II)**.

37. As required by the SEBI Circular, the Demerged Company had filed the complaint report with BSE and NSE on September 3, 2018. The report indicated that the Demerged Company has not received any complaints. A copy of the complaint report submitted by the Demerged Company to BSE and NSE, dated September 3, 2018 is enclosed as **Annexure C**.
38. The Demerged Company has also filed the compliance report with BSE and NSE on July 30, 2018 and is enclosed as **Annexure D**.

39. Effect of Scheme on various Parties

A. Key Managerial Personnel (KMPs) and Directors

None of the Directors and key managerial personnel of the Demerged Company and the Resulting Company or their respective relatives have any interest in the Scheme except to the extent the (i) equity shares held by them in the Demerged Company and the Resulting Company directly or as a nominee; and/or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s), key managerial personnel and their respective relatives are the director(s), partner(s), member(s) and/or beneficiary(ies) of the companies, firms, association of persons, bodies corporates and/or trust, as the case may be, that hold shares in the Demerged Company/ Resulting Company. There will be no adverse effect of the Scheme on the directors and key managerial personnel of the Demerged Company and Resulting Company.

B. Promoters and Non – Promoter equity shareholders of the Demerged Company and the Resulting Company

In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Demerged Company and the Resulting Company, in their meetings held on May 30, 2018, have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, directors, promoters and non-promoter shareholders. Copy of the reports adopted by the respective Board of Directors of the Demerged Company and the Resulting Company are enclosed as **Annexure E**.

C. Depositors

Neither the Demerged Company nor the Resulting Company have accepted any deposits.

D. Creditors and Debenture – Holders /Debenture Trustees

The debts pertaining to the Demerged Undertaking are taken over by the Resulting Company. Any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Demerged Undertaking shall continue to have effect only on the assets of the Demerged Undertaking in the Resulting Company and shall cease to have effect on the assets of the Remaining Business. The debts pertaining to the Remaining Business (as defined in the Scheme) continue to be the debts or liabilities of the Demerged Company.

Accordingly, if any creditor has any charge, security interest, lien, statutory lien or statutory charge on any of the assets or properties of Demerged Undertaking of the Demerged Company, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in the Resulting Company.

The rights of the creditors of the Demerged Company or the Resulting Company shall not be affected by the scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of the business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned. The Demerged Company or the Resulting Company has not issued any debentures and accordingly, do not have any debenture holders.

E. Employees

All staff, workmen and employees of the Demerged Undertaking in continuous service on the Effective Date shall become the staff, workmen and employees of the Resulting Company on such date without any break or interruption in service and on the terms and conditions not in any way less favourable to them than those subsisting with reference to the Demerged Undertaking as the case may be on the said date. The Resulting Company shall be liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.

It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund or schemes created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to said funds in accordance with provisions of such schemes and said funds as per the terms provided in the respective trust deeds/ other documents. To this end and intent, all the rights, duties, powers and obligations of the Demerged Company in relation to such funds/schemes shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

The Demerged Company in relation to the Demerged Undertaking shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

40. There are no investigation or proceedings, pending against the Company under the Companies Act, 2013.
41. None of the directors and KMPs or their respective relatives have any material interest in respect of the Scheme.
42. A copy of the Scheme has been filed by the Company with the Registrar of Companies, Shillong.
43. The following documents will be open for obtaining extract from or for making or obtaining copies of or inspection by the creditors at the Registered Office of the Demerged Company, during 10.00 a.m. to 4.00 p.m., on all working days (except Saturdays, Sundays and Public Holidays) upto the date of the Meeting:
- (a) Draft of the Scheme which is enclosed as **Annexure A**.
 - (b) Copy of Share Entitlement Ratio Report obtained from M/s. S. P. Shaw & Co., Chartered Accountants, dated May 29, 2018 which is enclosed as **Annexure F**.
 - (c) The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and the Statutory Auditor's certificate for the same obtained by the Demerged Company which is enclosed as **Annexure G**.
 - (d) The Fairness opinion obtained from the merchant banker which is enclosed herewith as **Annexure H**.
 - (e) The audited Accounts of the Demerged Company and the Resulting Company for the Financial Year ended March 31, 2018 which are enclosed as **Annexure I – I** along with the Unaudited financial results of the Demerged Company and unaudited financial statements of the Resulting Company as on September 30, 2018, which is enclosed as **Annexure I - II**.
 - (f) Copy of the Order of the National Company Law Tribunal pursuant to which the meeting is to be convened which is enclosed as **Annexure J**.
44. The Pre – Scheme and proposed Post-Scheme share capital structure of the Resulting and Demerged Company, respectively is enclosed as **Annexure K (I) and Annexure K (II)**.

45. The applicable information of the Resulting Company in the format specified for the abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith as **Annexure L**.
46. Contracts or agreements material to the compromise or arrangement – N/A
47. Any other information or document as the Board believes is necessary – N/A.
48. It is confirmed that the copy of the Scheme has been filed with the Registrar of Companies, Shillong by both the Demerged Company and the Resulting Company.
49. In view of the information provided hereinabove, and the documents attached alongwith this notice and explanatory statement, the requirement of Section 232(2) of the Companies Act, 2013 have been complied with.
50. After the Scheme is approved by the equity shareholders and creditors of the Demerged Company, it will be subject to the approval/sanction by NCLT.

Sd/-

Shiv Prakash Mittal

(DIN: 00237242)

The Chairperson appointed for the meeting

Date: 24th December, 2018

Place: Kolkata

Registered office: Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India

CIN: L20211AS1990PLC003484

Email: kaushal@greenply.com

Website: www.greenply.com.

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

GREENPLY INDUSTRIES LIMITED

AND

GREENPANEL INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS

FOR

**THE DEMERGER OF THE DEMERGED UNDERTAKING OF
GREENPLY INDUSTRIES LIMITED TO GREENPANEL INDUSTRIES LIMITED**

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013

I. PRELIMINARY

- 1.1 This Composite Scheme of Arrangement is presented for the demerger (that is, transfer and vesting) of the Demerged Undertaking (*as defined below*) of Greenply Industries Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India (hereinafter referred to as the “**Demerged Company**”); as a going concern, into Greenpanel Industries Limited, a company incorporated under the Companies Act, 2013, having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India (hereinafter referred to as the “**Resulting Company**”). The Resulting Company is a wholly owned subsidiary of the Demerged Company.

II. RATIONALE OF THE SCHEME

- 2.1 The Demerged Company is engaged in the following lines of business through the following undertakings:

- (i) the “**Transferred Business**”: As part of this business undertaking, primary activities means –
Business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. Presently, this business consists of the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and overseas subsidiary viz. Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd. (registered in Singapore).
- (ii) the “**Remaining Business**”: As part of this business undertaking, primary activities means –
Business comprising of manufacturing, marketing and trading of Plywood, Decorative Veneers, Veneers, Doors and allied products. Presently, this business consists of manufacturing units situated at Tizit (Nagaland), Kriparampur (West Bengal), Bamanbore (Gujarat) and registered, marketing, branch, Corporate and other office(s) located in India and subsidiaries viz. Greenply Holdings Pte. Ltd. (registered in Singapore), Greenply Middle East Limited (registered in Dubai, UAE), Greenply Gabon SA (registered in Gabon, West Africa) and investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd., Singapore (Joint Venture Company) held by Greenply Trading Pte. Limited (registered in Singapore) and Greenply Industries (Myanmar) Pvt. Ltd. (registered in Myanmar) controlled by Greenply Alkema (Singapore) Pte. Ltd., Singapore.

- 2.2 Each of the aforementioned businesses of the Demerged Company have been nurtured and developed from a nascent stage and are currently at different stages of maturity, with differing capital and operating requirements including risk and competition, necessitating different management approaches and focus.

- 2.3 Under this Scheme, it is proposed to demerge the Transferred Business of the Demerged Company, and all the estate, assets, rights, claims, title, interest, licenses, liabilities, employees, accretions and appurtenances of the Demerged Company pertaining to the Transferred Business ("**Demerged Undertaking**", as defined more particularly in Paragraph 1.6 of Part A of this Scheme) and transfer it to the Resulting Company. The proposed demerger of the Demerged Undertaking envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Demerged Company and the Resulting Company:
- (i) Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.
 - (ii) Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company.
 - (iii) Provide enhanced strategic flexibility in the operation of each of the aforementioned businesses.
 - (iv) Expanding the potential client / customer market for each business vertical.
 - (v) Access to various sources of funds and investments for the rapid growth of both the businesses.
- 2.4 The nature of technology, risk, competition and capital intensity involved in each of the undertakings of the Demerged Company is distinct from each other. Consequently, each undertaking of the Demerged Company is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence, as part of an overall business reorganisation plan, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging the Demerged Undertaking to the Resulting Company in the manner and on the terms and conditions contained in this Scheme.
- 2.5 Pursuant to the Scheme, all Shareholders of the Demerged Company as on the Record Date will receive equity shares in the Resulting Company and subsequently, such Shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such Shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.
- 2.6 The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the Companies and in the growth and development of their respective businesses.
- 2.7 The Scheme has been approved by the respective Boards of the Demerged Company and the Resulting Company and it has been decided that requisite application / petition before the NCLT (*as defined below*) for seeking the necessary directions and the sanction of this Scheme, shall be filed. The Scheme is also subject to the approval of the requisite majority of the respective shareholders and/or creditors, as the case may be, of the Demerged Company and the Resulting Company and / or such other statutory approvals/ clearances, if any, as more particularly set out in the Scheme.
- 2.8 The transfer of the Demerged Undertaking shall be on a going concern basis.

III. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- **PART A** deals with definitions and share capital;
- **PART B** deals with the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, including consideration and accounting treatment;
- **PART C** deals with the general terms and conditions applicable to this Scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:

- 1.1 "**Act**" means the Companies Act, 2013, as applicable and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 "**Appointed Date**" for the purpose of this Scheme and Income Tax Act, 1961, means 1st April, 2018 .
- 1.3 "**Board of Directors**" or "**Board**" in relation to the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such Company and includes any committee of directors constituted by the board of the respective Companies.

- 1.4 **“Companies”** means the Demerged Company and the Resulting Company, collectively.
- 1.5 **“Demerged Company”** means Greenply Industries Limited, incorporated under the Companies Act, 1956, bearing CIN L20211AS1990PLC003484 and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India.
- 1.6 **“Demerged Undertaking”** means the entire activities, operations, business division and undertaking of the Demerged Company pertaining to the Transferred Business as is presently carried out by the Demerged Company and which is being transferred to the Resulting Company on a going concern basis along with all related assets, liabilities, employees, rights, powers and shall include (without limitation) in particular the following:
- (i) all assets (including appliances, accessories, furniture, fixtures and leasehold improvements, where applicable) whether movable or immovable, tangible or intangible, including all rights, titles and interest in connection with the land, and buildings thereon, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, sundry debtors, cash and bank balances, other fixed assets, benefit of any deposits, financial assets, investments, benefit of any bank guarantees and all other assets whether real or personal, present, future or contingent relating to the Demerged Undertaking, except as provided in this Scheme;
 - (ii) all permits, rights (including, without limitation, rights under any customer contracts, supply contracts, insurance contracts or other contracts or agreements), licenses including, without limitation, approvals, authorizations, consents, tenancies, offices, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions and unabsorbed depreciation, tenancies in relation to office, lease rights, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
 - (iii) all deposits and balances with Government (including share of advance taxes, taxes deducted at source in connection with the business of the Demerged Undertaking, entitlements to refund and / or credits of service tax, central excise, GST in connection with the business of the Demerged Undertaking, entitlements to refund and / or credits of the value added tax (in all states) in connection with the business of the Demerged Undertaking and such other tax credits as may pertain to the Demerged Undertaking), semi-government, local and other authorities and bodies, customers, other persons, earnest moneys and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;
 - (iv) all employees of the Demerged Company substantially engaged in the Demerged Undertaking and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the business of the Demerged Undertaking;
 - (v) all debts, borrowings, obligations, duties and liabilities both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Undertaking;
 - (vi) all trade and service names and marks (including any right to use trademarks), patents, copyrights (including any right to use copyrights), designs, brand names (including the right to use brand names), patents, use of technology rights, and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Demerged Undertaking; and
 - (vii) all legal proceedings of whatsoever nature by or against the Demerged Company pending or threatened on the Appointed Date and relating to the Demerged Undertaking.
- 1.7 **“Effective Date”** means the date on which certified copies of the orders of the NCLT sanctioning this Scheme are filed with the Registrar of Companies at Shillong by the Demerged Company and the Resulting Company and if such filing is made on different dates, then the last of such dates. References in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“being effective”** or **“becoming effective”** will mean the Effective Date.
- 1.8 **“Greenpanel Shareholder Group”** means Shiv Prakash Mittal and Shobhan Mittal (on behalf of Trade Combines, Partnership Firm), Shobhan Mittal, Santosh Mittal, Prime Holdings Private Limited, Vanashree Properties Private

Limited, Shiv Prakash Mittal, Chitwan Mittal, Master Aditya Mittal, Educational Innovations Private Limited, Niranjana Infrastructure Private Limited, Showan Investment Private Limited, Bluesky Projects Private Limited and Trade Combines Pte. Ltd. (Incorporated in Singapore).

- 1.9 **“Greenply Shareholder Group”** means Rajesh Mittal, Sanidhya Mittal, Karuna Mittal, S. M. Management Private Limited, RS Homcon Limited, R. M. Safeinvest Private Limited, Brijbhumi Merchants Private Limited, Brijbhumi Tradevin Private Limited, Mastermind Shoppers Private Limited, Dholka Plywood Industries Private Limited, Mittalgreen Plantations LLP, Rajesh Mittal & Sons, HUF and RKS Family Foundation.
- 1.10 **“NCLT”** means Guwahati, Assam bench of the National Company Law Tribunal as constituted under the Act.
- 1.11 **“Record Date”** means the date to be fixed mutually by the Board of Directors of the Demerged Company and the Resulting Company for the purpose of determining the names of the Shareholders of the Demerged Company, as applicable, who shall be entitled to shares of the Resulting Company under Paragraph 12 hereto, upon coming into effect of this Scheme.
- 1.12 **“Resulting Company”** means Greenpanel Industries Limited, incorporated under the Companies Act, 2013, bearing CIN U20100AS2017PLC018272 and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India.
- 1.13 **“Scheme”** means this composite scheme of arrangement in relation to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company in its present form or as may be modified from time to time in accordance with Paragraph 18 of this Scheme or as may be approved or directed by the NCLT.
- 1.14 **“SEBI”** means the Securities and Exchange Board of India.
- 1.15 **“Shareholders”** means the persons registered as holders of equity shares of the respective Companies.
- 1.16 **“Takeover Code”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 1.17 The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever until the Effective Date, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 1.18 The words importing the singular include the plural; words importing any gender include every gender.
- 1.19 Any word or expression used and not defined in the Scheme but defined in the Act shall have the meaning respectively assigned to them in the Act or the Securities Contracts (Regulation) Act, 1956, as applicable.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme, though operative from the Appointed Date, shall become effective from the Effective Date.

3 SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31st March 2018 is as under:

Particulars	Rupees (INR)
CAPITAL:	
Authorised:	
16,00,00,000 equity shares of INR 1.00 each	21,00,00,000
Cumulative Redeemable Preference Shares of INR 10.00 each	
Issued, Subscribed and Paid-up:	12,26,27,395
12,26,27,395 equity shares of INR 1.00 each	

- 3.2 The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 31st March 2018 is as under:

Particulars	Rupees (INR)
CAPITAL:	
Authorised:	
1,00,00,000 equity shares of INR 1.00 each	1,00,00,000
Issued, Subscribed and Paid-up:	10,00,000
10,00,000 equity shares of INR 1.00 each	

Subsequent to 31st March 2018 there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company and the Resulting Company.

PART B

DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

4 TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

4.1 On and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company without any further act, deed, instrument, matter or thing, in such a manner that:

4.1.1 all the assets of the Demerged Undertaking immediately before the demerger become the assets of the Resulting Company by virtue of the demerger;

4.1.2 all the liabilities of the Demerged Undertaking immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger.

With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business carried on by the Demerged Undertaking in addition to the business of the Resulting Company.

4.2 Transfer of assets, movable and immovable property

Without limiting the generality of the foregoing, on and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company in the following manner:

4.2.1 With effect from the Appointed Date, all the assets of the Demerged Undertaking whether movable or immovable, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and deemed to be transferred to and vested in the Resulting Company as a going concern so as to become, as from the Appointed Date, the assets of the Resulting Company and to vest all the right, title and interest therein to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to transfer of immovable properties to the Resulting Company. The mutation of title/ assignment of leases in respect of the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of the Resulting Company.

4.2.2 With effect from the Appointed Date, all the moveable assets including plant & machinery, furniture & fixtures, office equipment, vehicles, computers, air conditioner, electric installation, fire extinguisher, inventories, cash in hand of the Demerged Undertaking, capable of transfer by physical delivery or by endorsement and/or delivery shall be so delivered or endorsed and/or delivered as the case may be to the Resulting Company to the end and intent that the property therein passes to the Resulting Company, on such delivery or endorsement and/or delivery in pursuance of the provisions of Sections 230 to 232 and other applicable provisions of the Act.

4.2.3 In respect of the movable properties of the Demerged Undertaking (other than those specified in Paragraph 4.2.2 above) including sundry debtors, receivables, bills, credits, loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits with government, semi-government authorities, local and other authorities and bodies or with any company or other person, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper, to each of such person, debtor or depositee, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, such debt, loan, advance, bank balance, or deposit be paid or made good or held on account of the Demerged Undertaking as the person entitled thereto to the end and intent that the right of the Demerged Undertaking to recover or realize all such debts (including the debts payable by such person or depositee to the Demerged Undertaking) stands without any further act or deed, transferred and assigned to the Resulting Company and that appropriate entries should be passed in its books to record the aforesaid change.

4.2.4 The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation/notice in favour of any other party to any contract or arrangement to which the Demerged Undertaking is party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall under

the provisions of the Scheme be deemed to be authorised to execute any such writings, instruments and deeds on behalf of the Demerged Undertaking and to implement or carry out all such formalities or compliance referred to above on the part of the Demerged Undertaking to be carried out or performed to give effect to the provisions of this Paragraph 4.2.

- 4.2.5 Subject to the other provisions of this Scheme, all entitlements, licenses, permissions, approvals, clearances, authorisations, consents, brand names, trademarks, copyrights, patents, other intellectual property rights registrations and no-objection certificates obtained by the Demerged Company for the operations of the Demerged Undertaking and/or to which the Demerged Company is entitled to in relation to the Demerged Undertaking in terms of the various statutes/ schemes/ policies, etc. of the Overseas, Union and State Governments, local authorities, local bodies and other statutory authorities and bodies, shall be available to and vest in the Resulting Company, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of the Resulting Company. Since the Demerged Undertaking will be transferred to and vested in the Resulting Company as a going concern without any break or interruption in the operations thereof, the Resulting Company shall be entitled to enjoy the benefit of all such entitlements, licenses, permissions, approvals, clearances, authorizations, consents, intellectual property rights, registrations and no-objection certificates as enjoyed by the Demerged Company and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Accordingly, all existing and future incentives, unavailed credits and exemptions and other statutory benefits, including in respect of Income Tax for the period commencing on and from the Appointed Date, excise (including Modvat / Cenvat), customs (including EPCG, DFIA, advance license, SHIS, FMS, FPS, Incremental Export Incentive Scheme, TED etc.), VAT, sales tax, goods and services tax, entry tax, octroi, service tax and other taxes, incentives and duties to which the Demerged Company is entitled in relation to the Demerged Undertaking in terms of the various Statutes/ Schemes/ Policies, etc. of Overseas, Union and State Governments shall be available to and vest in the Resulting Company upon this Scheme becoming effective.
- 4.2.6 The transfer and/or vesting of all the assets and liabilities of the Demerged Undertaking to the Resulting Company and the continuance of all the contracts and proceedings by or against the Resulting Company shall not affect any contract or proceedings relating to the assets or the liabilities, tenancy rights, licenses already concluded by the Demerged Company on or after the Appointed Date.
- 4.2.7 Further, the experience, track record and credentials of the Demerged Company in relation to the Demerged Undertaking in carrying out the Transferred Business prior to its transfer to the Resulting Company shall be taken into account and treated and recognized as the experience, track record and credentials in relation to such Demerged Undertaking even after its transfer to the Resulting Company, including for the purpose of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders, contracts, request for proposals / quotation, of clients Central/ State Governments, statutory bodies or agencies thereof.

4.3 **Transfer of liabilities**

- 4.3.1 With effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description of the Demerged Undertaking (subject to the provisions of Paragraphs 4.3.4 to 4.3.7) shall, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred to or be deemed to be transferred to the Resulting Company so as to become as from the Appointed Date the debts, liabilities, duties, obligations of the Resulting Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Without limiting the generality of the foregoing, the export obligations including EPCG export obligations arising on account of licences issued / granted to and pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to and become the export obligations of the Resulting Company which shall meet, discharge and satisfy the same with effect from the Appointed Date.
- 4.3.2 If and to the extent there are inter-corporate loans, deposits, receivables or balances between the Demerged Undertaking and the Resulting Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of accounts and records of the Resulting Company, if required, for such adjustments of debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans, deposits, receivables or balances between the Demerged Company in relation to the Demerged Undertaking and the Resulting Company.
- 4.3.3 The transfer and/or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the aforesaid assets or any part thereof of the Demerged Undertaking.

Provided however, that any reference in any security documents or arrangements, to which the Demerged Company is a party, to the assets of the Demerged Undertaking which it has offered or agreed to be offered as security for

any financial assistance or obligations, to any secured creditors of the Demerged Company, shall be construed as reference only to the assets of the Demerged Undertaking as are vested in the Resulting Company by virtue of the aforesaid Paragraph, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Resulting Company or the Demerged Company, unless specifically agreed to by the Resulting Company with such secured creditors.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further or additional security thereof after the Scheme has become effective or otherwise.

- 4.3.4 As regards any tax Liability arising in connection with excise show cause notice received from the Office of the Director General of Central Excise Intelligence, Delhi Zonal Unit, dated February 15, 2011 and other connected notices issued by the relevant subordinate governmental authorities with respect to the subject matter of the above mentioned notice or any order, amendment, revision, further issuance or replacement thereof, or in or about the matter covered by the aforesaid show cause notice ("**Excise Notices**"), any tax Liability arising out of the Excise Notices for period up to June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022; 32% of the finally adjudicated/ settled Liability amount shall be paid by the Demerged Company to the Resulting Company in case the Resulting Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax Liability arises and 29% in case the Resulting Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Demerged Company to the Resulting Company shall be made seven days before the payment has to be made by the Resulting Company to the Government.
- 4.3.5 Further, as regards any tax Liability arising in connection with disputed dues of excise duty on resin production at the Demerged Company's manufacturing unit at Pantnagar, Uttarakhand, for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022; 44% of the finally adjudicated / settled Liability amount shall be paid by the Demerged Company to the Resulting Company in case the Resulting Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax Liability arises and 40% in case the Resulting Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Demerged Company to the Resulting Company shall be made seven days before the payment has to be made by the Resulting Company to the Government.
- 4.3.6 Further, as regards any tax Liability arising in connection with disputed dues of excise duty in respect of the Demerged Company's manufacturing unit at Tizit (Nagaland) relating to refund of excise duty under Notification Number 32/99-CE for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022, 44% of the finally adjudicated / settled liability amount shall be paid by the Resulting Company to the Demerged Company in case the Demerged Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax liability arises and 40% in case the Demerged Company is under normal tax liability in the year in which the tax liability arises. The payment by the Resulting Company to the Demerged Company shall be made seven days before the payment has to be made by the Demerged Company to the Government.
- 4.3.7 Further, any tax Liability arising in connection with disputed dues of excise duty in respect of the Demerged Company's manufacturing units at Kripampur (West Bengal) and Bamanbore (Gujarat) relating to disallowance of discounts claimed on sale of goods for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022, 44% of the finally adjudicated / settled liability amount shall be paid by the Resulting Company to the Demerged Company in case the Demerged Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax liability arises and 40% in case the Demerged Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Resulting Company to the Demerged Company shall be made seven days before the payment has to be made by the Demerged Company to the Government.

It is hereby clarified that, for the purpose of above paras i.e. 4.3.4 to 4.3.7: (i) "**Liability**" shall include duty, penalty, interest or any amount paid on composition; (ii) "**finally adjudicated/settled**" shall mean such final adjudication/ settlement where neither party shall have a right to prefer any further appeal or have any further recourse against the demand arising out of the Excise Notices and disputed dues.

- 4.3.8 This Scheme shall be deemed to ensure that any amount owing by the Demerged Company as on the Appointed Date, or at any time thereafter, is owned either by the Demerged Company or the Resulting Company such that the liabilities and debts pertaining to the Demerged Undertaking are taken over by the Resulting Company and those pertaining to the Remaining Business continue to be the debts or liabilities of the Demerged Company. Any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Demerged Undertaking shall continue to have effect only on the assets of the Demerged Undertaking in the Resulting Company and shall cease to have effect on the assets of the Remaining Business. Likewise, any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Remaining Business shall continue to have effect only on the assets of the Remaining Business in the Demerged Company and shall cease to have effect on the assets of the Demerged Undertaking.

Subject to the Paragraph above, if any creditor has any charge, security interest, lien, statutory lien or statutory charge on any of the assets or properties of Demerged Undertaking of the Demerged Company, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in the Resulting Company.

5 BUSINESS AND PROPERTY OF THE DEMERGED UNDERTAKING TO BE HELD IN TRUST FOR THE RESULTING COMPANY

For the period beginning on and from the Appointed Date and ending on the Effective Date:

- 5.1 The Demerged Company in relation to the Demerged Undertaking shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and possessed of and shall continue to hold and stand possessed of all the assets, properties and liabilities for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold the assets, properties and liabilities with utmost prudence until the Effective Date.
- 5.2 All the profits or income accruing or arising to the Demerged Undertaking and all costs, charges, expenditure, taxes or losses arising or incurred by the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as profits, income, costs, charges, expenditure, taxes or losses, as the case may be, of the Resulting Company.
- 5.3 The Demerged Undertaking shall carry on its business and activities until the Effective Date with reasonable diligence, and business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company in relation to the Demerged Undertaking.

Provided however, the Demerged Company in relation to the Demerged Undertaking shall in the ordinary course of business be entitled to borrow in the form of loans, if deemed necessary by it and further consent for this purpose will not be required of the Resulting Company in that behalf.

- 5.4 The Demerged Company in relation to the Demerged Undertaking shall not, without the prior written consent of the Board of Directors of the Resulting Company, undertake any new business or substantial expansion of the business which relates to the Demerged Undertaking.
- 5.5 The Demerged Company shall not make any change in its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, re-classification, sub-division or re-organisation or in any other manner whatsoever other than the changes pursuant to any prior commitments, obligations or arrangements or acts and deeds already made except by mutual consent of the Board of Directors of the Resulting Company and the Demerged Company.

6 LEGAL PROCEEDINGS

- 6.1 All proceedings by or against the Demerged Company pending and/or arising on or before the Effective Date in relation to the Demerged Undertaking shall not abate, not be discontinued or not be in any way prejudicially affected by reason of the transfer of the business of the Demerged Company pursuant to this Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Resulting Company as effectually and in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date, the Resulting Company shall initiate, continue and defend any proceedings which were earlier in the name of the Demerged Company.
- 6.2 On and from the Appointed Date but on or before the Effective Date, if any proceedings are taken against or initiated by the Demerged Company in relation to the Demerged Undertaking, the same shall be defended by the Demerged Company for and on behalf of the Resulting Company.
- 6.3 It is clarified that any amounts received by the Demerged Company after the Appointed Date on account of any proceedings, including proceedings under various Tax Laws (*as defined below*) shall be deemed to have been received in trust and on behalf of the Resulting Company and the same shall forthwith be remitted by the Demerged Company to the Resulting Company upon the Scheme becoming effective.

7 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 7.1 All acts, contracts, agreements, deeds, bonds or any other instruments executed by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date shall be in full force and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.
- 7.2 All acts, contracts, agreements deeds, bonds or any other instruments executed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date but before the Effective Date shall be in full force

and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.

- 7.3 Upon the Scheme coming into effect and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Demerged Company in relation to the Demerged Undertaking is a party or to the benefit of which the Demerged Company in relation to the Demerged Undertaking may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company in relation to the Demerged Undertaking, the Resulting Company had been a party or beneficiary thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any multipartite agreements, arrangements, confirmations or novation to which the Demerged Company in relation to the Demerged Undertaking will also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary.
- 7.4 The Resulting Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company in relation to the Demerged Undertaking is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Demerged Company, in relation to the Demerged Undertaking, in order to implement or carry out all such formalities or compliances referred to above.

8 STAFF, WORKMEN AND EMPLOYEES OF THE DEMERGED UNDERTAKING

- 8.1 All staff, workmen and employees of the Demerged Undertaking in continuous service on the Effective Date shall become the staff, workmen and employees of the Resulting Company on such date without any break or interruption in service and on the terms and conditions not in any way less favourable to them than those subsisting with reference to the Demerged Undertaking as the case may be on the said date. The Resulting Company shall be liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.
- 8.2 It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund or schemes created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to said funds in accordance with provisions of such schemes and said funds as per the terms provided in the respective trust deeds/ other documents. To this end and intent, all the rights, duties, powers and obligations of the Demerged Company in relation to such funds/schemes shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the aforesaid funds or provisions.
- 8.3 The Demerged Company in relation to the Demerged Undertaking shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

9 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Resulting Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

The Demerged Company and Resulting Company both being entities under common control, the accounting would be done at book values for the all the assets and liabilities acquired by the Resulting Company of the Demerged Undertaking by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

9.1 IN THE BOOKS OF THE DEMERGED COMPANY

- 9.1.1 Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets (ignoring revaluation, if any) and the liabilities pertaining to the Demerged Undertaking as on the Appointed Date.
- 9.1.2 The difference between value of the assets and value of the liabilities transferred in accordance with the aforesaid Paragraph will be recorded in the following order: (1) Capital Redemption Reserve; (2) Securities Premium Reserve; (3) General Reserve; (4) Retained Earnings in the books of the Demerged Company. If value of liabilities transferred is more than value of assets transferred to Resulting Company, then the balance shall be recorded in capital reserves.

9.2 IN THE BOOKS OF THE RESULTING COMPANY

- 9.2.1 Upon the Scheme becoming effective, the Resulting Company shall:
- (a) record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values (ignoring revaluation if any) as appearing in the books of Demerged Company as on the Appointed Date;
 - (b) credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme and Paragraph 12.
- 9.2.2 The excess of assets of the Demerged Undertaking as on the Appointed Date over the (i) book value of the liabilities of the Demerged Undertaking as on the Appointed Date and (ii) paid up value of the equity shares issued by the Resulting Company to the Shareholders of Demerged Company (the amount credited as share capital), will be credited to the capital reserve account of the Resulting Company. In case of there being a shortfall, the same shall be debited to goodwill.

10 TREATMENT OF TAXES

- 10.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, any other state sales tax/value added tax laws, service tax, stamp laws or other applicable laws/regulations (hereinafter in this Paragraph referred to as “**Tax Laws**”) dealing with taxes/duties/levies allocable or related to the Demerged Undertaking to the extent not provided for or covered by tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Resulting Company, subject to the provisions of Paragraphs 4.3.4 to 4.3.7 of this Scheme.
- 10.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly, subject to the provisions of Paragraphs 4.3.4 to 4.3.7 of this Scheme.
- 10.3 Any refund under the Tax Laws due to the Demerged Company consequent to the assessments made on Demerged Company in relation to the Demerged Undertaking and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.
- 10.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc., to which the Demerged Company are entitled to in terms of the applicable Tax Laws of the central and state governments, shall be available to and vest in the Resulting Company.

11 SAVING OF CONCLUDED TRANSACTIONS

- 11.1 The transfer of all the assets and liabilities and the licenses and permits and membership etc. under Paragraph 4 above and the continuance of proceedings by or against the Resulting Company under Paragraph 6 above shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Demerged Undertaking.

12 CONSIDERATION

- 12.1 In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in this Paragraph 12.
- 12.2 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, without any further application or deed, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company.
- 12.3 Upon issue of the new equity shares to the Shareholders of the Demerged Company on the Record Date, all existing equity shares held by the existing Shareholders of the Resulting Company (i.e. not including the Shareholders of the Demerged Company on the Record Date), shall stand cancelled, without any further act or deed. The reduction of capital of the Resulting Company pursuant to this Scheme shall be given effect as an integral part of the Scheme and the consent given to the Scheme by the Shareholders and creditors of the Resulting Company shall be deemed to

be their consent under the provisions of Section 66 and all other applicable provisions of the Act to such reduction of capital of the Resulting Company and the Resulting Company shall not be required to convene any separate meeting for that purpose. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act. Notwithstanding the reduction of the subscribed and paid-up equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

- 12.4 Such new equity shares issued by the Resulting Company shall, pursuant to circular issued by SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and in accordance with the compliance with requisite formalities under applicable laws, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Demerged Company are listed and/or admitted to trading.
- 12.5 The equity shares to be issued by the Resulting Company to the Shareholders of the Demerged Company on the Record Date pursuant to this Paragraph 12 shall be issued:
 - 12.5.1 in dematerialized form, if the shares are held in dematerialized form by the Shareholders of the Demerged Company on the Record Date.
 - 12.5.2 in physical form, if the shares are held in physical form by the Shareholders of the Demerged Company on the Record Date. New share certificates shall be issued and delivered by registered post to such Shareholders of the Demerged Company on the Record Date for the number of shares entitled by them under the Scheme.
- 12.6 The equity shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to this Paragraph 12 shall be subject to the memorandum and articles of association of the Resulting Company and shall rank *pari passu* in all respects with the existing equity shares of Resulting Company.
- 12.7 The new equity shares in the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange. Till the listing of the equity shares of the Resulting Company to be issued pursuant to this Scheme, there shall be no change in the pre-arrangement capital structure and shareholding pattern or control in the Resulting Company which may affect the status of approval of the stock exchanges to this Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme.
- 12.8 Equity shares of the Resulting Company are allotted to the Shareholders of the Demerged Company on the Record Date in terms of this Scheme by virtue of their interest in the Demerged Company as a whole, including the Demerged Undertaking. However, in order to achieve the objectives of concentration of resources efficiently, and focused management for the Transferred Business as well as the Remaining Business which is an integral objective of this Scheme, within 36 (thirty six) months from the listing of the equity shares of the Resulting Company, there shall be a realignment of shareholding between the Greenply Shareholder Group and the Greenpanel Shareholder Group such that: (a) the Greenpanel Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of the Demerged Company as mutually agreed, to the Greenply Shareholder Group; and (b) the Greenply Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of the Resulting Company as mutually agreed, to the Greenpanel Shareholding Group. Such realignment of shareholding shall be subject to compliance with the Takeover Code and other applicable laws. For the purpose of availing exemption under Regulation 10 of the Takeover Code, the promoters of the Demerged Company shall be deemed to have been the promoters of the Resulting Company for the same duration they have been promoters of the Demerged Company and this recognition shall be available on the listing of the equity shares of the Resulting Company. Statutory exemptions for the transfer of shares of the Resulting Company amongst the Greenply Shareholder Group and the Greenpanel Shareholder Group shall be deemed to be available to the Greenply Shareholder Group and the Greenpanel Shareholder Group under the Takeover Code as detailed below.
- 12.9 The proposed transfer will neither change the total shareholding / voting rights of the promoter groups of the Demerged Company nor will it affect or prejudice the interests of the public shareholders in any way.
- 12.10 Upon consummation of transfer envisaged in Paragraph 12.8 above,
 - 12.10.1 Shiv Prakash Mittal and Shobhan Mittal (on behalf of Trade Combines, Partnership Firm), Shobhan Mittal, Santosh Mittal, Prime Holdings Private Limited, Vanashree Properties Private Limited, Shiv Prakash Mittal, Chitwan Mittal, Master Aditya Mittal, Educational Innovations Private Limited, Niranjan Infrastructure Private Limited, Showan Investment Private Limited, Bluesky Projects Private Limited and Trade Combines Pte. Ltd. (Incorporated in Singapore) shall cease to be a part of the promoter/ promoter group of the Demerged Company. Similarly, Rajesh Mittal, Sanidhya Mittal, Karuna Mittal, S. M. Management Private Limited, RS Homcon Limited, R. M. Safeinvest Private Limited, Brijbhumi Merchants Private Limited, Brijbhumi Tradevin Private Limited, Mastermind Shoppers Private Limited, Dholka Plywood Industries Private Limited, Mittalgreen Plantations LLP, Rajesh Mittal & Sons, HUF and RKS Family Foundation shall

not form part of the promoter/ promoter group of the Resulting Company.

- 12.10.2 The Demerged Company and the Resulting Company shall be managed and controlled by their respective shareholders, i.e. the Resulting Company shall be under the exclusive management and control of the Greenpanel Shareholder Group and the Demerged Company shall be under the exclusive management and control of the Greenply Shareholder Group. The shareholders of the Resulting Company and the Demerged Company may reconstitute their respective board of directors to reflect the change in shareholding.
- 12.11 It is clarified that the transfer of the equity shares of both, the Demerged Company and the Resulting Company, and the consequent change in management and control of the respective Companies made in terms of this Paragraph 12 shall be pursuant to and is an integral part of this Scheme. Such transfer and change in control, being exempt under Regulation 10 of the Takeover Code, shall not trigger the open offer requirements in the Demerged Company and/or the Resulting Company under Regulation 3 or Regulation 4 of the Takeover Code.
- 12.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Resulting Company issued by the Resulting Company after the effectiveness of the Scheme.
- 12.13 The issue and allotment of equity shares by the Resulting Company, to the Shareholders of the Demerged Company as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Act and any other applicable provisions of the Act have been complied with.
- 12.14 For the purpose of issue of equity shares to the Shareholders of the Demerged Company on the Record Date, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals.
- 12.15 The new equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.

PART C

GENERAL TERMS AND CONDITIONS

13 TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

- 13.1 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.

14 APPLICATION TO THE NCLT

- 14.1 The Demerged Company and Resulting Company shall, with all reasonable dispatch, make applications to the NCLT seeking orders for dispensing with or, if required, convening, holding and conducting of the meetings of the members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT.
- 14.2 On the Scheme being agreed to by the requisite majorities of the Shareholders and/or creditors of the Demerged Company and Resulting Company, if so directed to be taken by the NCLT, the Demerged Company and Resulting Company shall, with all reasonable dispatch, apply to the NCLT for sanctioning the Scheme under the provisions of the Act, and for such other order or orders, as the NCLT may deem fit for carrying this Scheme into effect.

15 SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 15.1 The sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned (including but not limited to, SEBI and the relevant stock exchange(s)) being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 15.2 The approval of, and agreement to the Scheme by the requisite majority of the Shareholders and creditors of the Demerged Company and the Resulting Company, if required as may be directed by the NCLT on the application made for directions under the provisions of the Act. Such approval will be obtained from the Shareholders of the Demerged Company by way of a resolution passed through e-voting and through voting in any other manner as required under applicable laws.

15.3 The sanction of the NCLT being obtained by the Demerged Company and by the Resulting Company under the applicable provisions of the Act.

15.4 The certified copies of order of the NCLT sanctioning the Scheme being filed with the concerned Registrar of Companies, Shillong.

16 EFFECT OF NON-APPROVALS

16.1 In the event of any of the approvals or conditions enumerated in Paragraph 15 above not being obtained or complied or for any reasons this Scheme cannot be implemented then the Board of Directors of the Demerged Company and the Resulting Company shall waive such conditions as they consider appropriate to give effect appropriately and, as far as possible, to this Scheme and failing such agreement or in case this Scheme is not sanctioned by the NCLT, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred, inter-se, between the Demerged Company and the Resulting Company or their respective Shareholders or creditors or any other person.

17 VALIDITY OF EXISTING RESOLUTIONS, ETC.

17.1 Upon the coming into effect of this Scheme, the resolutions, if any, of the Demerged Company in relation to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of said limits in the Resulting Company.

18 MODIFICATION, WITHDRAWAL OR AMENDMENT TO THE SCHEME

18.1 Subject to approval from the NCLT, the Demerged Company and the Resulting Company through its respective Board of Directors are hereby empowered and authorized to assent from time to time to any modifications or amendments or substitution of this Scheme or to any conditions or limitations which the NCLT, SEBI, Central Government or any other statutory authorities may impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for bringing this Scheme into effect. The Demerged Company and the Resulting Company by their respective Boards of Directors are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the NCLT or any governmental authorities, which the Board of Directors of the Demerged Company or the Resulting Company find unacceptable for any reason, the Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme.

18.2 The Demerged Company and the Resulting Company, by their respective Board of Directors, or any such persons or committees of persons as authorized by the Boards, be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing the Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18.3 The Demerged Company and the Resulting Company through its respective Board of Directors are hereby empowered and authorized to withdraw this Scheme prior to the Effective Date in any manner and at any time.

19 NON-COMPETE

19.1 The Demerged Company shall not, directly or indirectly, compete with the Resulting Company's business of medium density fiberboard (MDF) for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Demerged Company and the Resulting Company.

19.2 Similarly, the Resulting Company shall not, directly or indirectly, expand its Plywood business (except to the extent of the Plywood business transferred along with the Demerged Undertaking; it being clarified that the Resulting Company shall not expand or increase the capacity of the Plywood unit transferred pursuant to this Scheme as well), for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Demerged Company and the Resulting Company.

20 USE OF TRADEMARKS AND BRAND NAMES

20.1 The Demerged Company and the Greenply Shareholder Group shall be entitled to use the trademarks/brand 'GREEN' with or without prefix/suffix (or any variant thereof) in respect of any future products. Similarly, the Resulting Company and the Greenpanel Shareholder Group shall be entitled to use the trademarks/ brand 'GREEN' with or without prefix/suffix (or any variant thereof) in respect of their future products.

20.2 Further, the Demerged Company and the Greenply Shareholder Group shall not be entitled to use the trademarks/ brand 'GREENPANEL' with or without prefix/suffix (or any variant thereof) in respect of any products after effectiveness of this Scheme. Similarly, the Resulting Company and the Greenpanel Shareholder Group shall not be entitled to use the trademarks/ brand 'GREENPLY' with or without prefix/suffix (or any variant thereof) in respect of any products after effectiveness of this Scheme.

21 REMAINING BUSINESS

Save and except the Demerged Undertaking of the Demerged Company and as expressly provided in this Scheme, nothing contained in this Scheme shall affect the Remaining Business of the Demerged Company which shall continue to belong to and be vested in and be managed by the Demerged Company.

22 DECLARATION OF DIVIDENDS

The Demerged Company shall be entitled to declare and pay dividends, whether interim or final, to its Shareholders in respect of the accounting period prior to the Effective Date. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any Shareholder of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Demerged Company and subject to the approval of the Shareholders of the Demerged Company.

23 COSTS, CHARGES & EXPENSES & STAMP DUTY

All costs, charges, stamp duty and any other expenses of the Demerged Company and the Resulting Company in relation to or in connection with this Scheme and for carrying out and implementing/completing the terms and provision of the Scheme and/or incidental to the completion of the demerger of the Demerged Undertaking in pursuance of this Scheme shall be borne and paid in equal proportion between the Demerged Company and the Resulting Company.

24 DISQUALIFICATION OF INDEPENDENT DIRECTOR

The name of Ms. Sonali Bhagwati Dalal (DIN:01105028), Independent Director of the Demerged Company was published by the Ministry of the Corporate Affairs ("MCA") on its website in the list of directors disqualified under Section 164(2) of the Companies Act, 2013. Subsequently a petition was filed by her before the Hon'ble High Court of Delhi pursuant to which, the Hon'ble High Court of Delhi has stayed the impugned list of Disqualified Directors to the extent it includes her name. To avail the Condonation of Delay Scheme, 2018, she has filed an appeal before the National Company Law Tribunal, New Delhi ("NCLT, New Delhi") for revival of the concerned defaulting company (in relation to which she has been named as a defaulting director) and the appeal is pending for disposal. In view of the pendency of the appeal before the NCLT, New Delhi, the Hon'ble High Court of Delhi has vide its order dated May 07, 2018 extended the stay till disposal of the said appeal.



National Stock Exchange Of India Limited

Ref: NSE/LIST/66537

November 15, 2018

The Company Secretary
Greenply Industries Limited
Makum Road, P. B. No. 14,
Tinsukia 786125

Kind Attn.: Mr. Kaushal Kumar Agarwal

Dear Sir,

Sub: Observation Letter for the composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and their respective creditors

We are in receipt of the composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and their respective creditors vide application dated July 31, 2018.

Based on our letter reference no Ref: NSE/LIST/60313 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated November 13, 2018, has given following comments:

- a. *The Company shall ensure that applicable information pertaining to unlisted company, Greenpanel Industries Limited, is included in the abridged prospectus as per the format specified in the circular.*
- b. *The Company shall ensure that details (including the order of Hon'ble High Court of Delhi) in respect of name of Ms. Sonali Bhagwati Dalal, appearing in the list of directors disqualified under Section 164 (2) of the Companies Act, 2013, as submitted by the Company in its letter dated September 06, 2018 to National Stock Exchange of India Limited are disclosed by the Company in its Scheme.*
- c. *The Company shall ensure that additional information/ undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the receipt of this letter is displayed on the website of the listed company.*
- d. *The Company shall duly comply with various provisions of the Circulars.*
- e. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- f. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI and National Stock Exchange of India Limited again for its comments/observations/ representations.*

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated 10.03.2017.





DGS/AMAL/PB/R37/1334/2017-18

November 15, 2018

The Company Secretary
GREENPLY INDUSTRIES LTD.
 Makum Road, Tinsukia,
 Assam, 786125.

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement by Greenply Industries Ltd

We are in receipt of Draft Scheme of Arrangement by Greenply Industries Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. SEBI vide its letter dated November 13, 2018, has inter alia given the following comment/s) on the draft scheme of arrangement:

- "Company to ensure the applicable information pertaining to unlisted company Greenpanel Industries Limited is included in the abridged prospectus as per format specified in the circular.
- "Company to ensure that details (including the Order of Hon'ble High Court of Delhi) in respect of name of Ms. Sonali Bhagwati Dalal ,appearing in the list of directors disqualified under 164 (2) of the Companies Act ,2013,as submitted by the company in its letter dated September 06 ,2018 to NSE are disclosed by the company in its scheme.
- "Company shall ensure that information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Greenpanel Industries Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Greenpanel Industries Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office: Floor 75, P1 Towers, Dalal Street, Mumbai-400001, India
 T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
 Corporate Identity Number: L27120MH000091 (CIN) 55188

The Company shall fulfil the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Greenpanel Industries Limited is at the discretion of the Exchange. In addition to the above, the listing of Greenpanel Industries Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Greenpanel Industries Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Greenpanel Industries Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Greenpanel industries Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - iii. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - iv. "There shall be no change in the shareholding pattern of Greenpanel Industries Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitinkumar Pujari
Senior Manager



To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

To,
Manager – Listing- Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kuria Complex, Bandra (E), Mumbai -
400 051

Dear Sir/Ma'am,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement ("Scheme") for the demerger of the Demerged Undertaking (as defined in the Scheme) of Greenply Industries Limited (hereinafter referred to as the "Demerged Company") as a going concern, into Greenpanel Industries Limited (hereinafter referred to as the "Resulting Company").

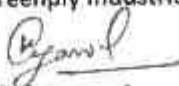
Re: Submission of Complaints Report pursuant to SEBI Circular dated March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 ('SEBI Circular')

Further to our application filed with the Stock Exchanges on 31st July 2018 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for the proposed Composite Scheme of Arrangement between Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company), please find attached herewith the Complaints Report.

The Complaints Report will also be uploaded on the website of the Company (www.greenply.com) as per the requirements of SEBI Circular.

We request you to provide the necessary 'No-objection' at the earliest to enable us to file the Composite Scheme of Arrangement with the National Company Law Tribunal at the earliest.

For Greenply Industries Limited


(Kaushal Kumar Agarwal)
Company Secretary & Vice President-Legal



Place: Kolkata

Date: 3rd September 2018

Greenply Industries Limited

Madgul Lounge, 5th & 6th Floor, 23 Chetia Central Road, Kolkata-700027, West Bengal, India
T +91 33 30515000 F +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000
E : sales.ply@greenply.com Web : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com
Registered Office: Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC005484



Report on Complaints
(for the period 10th August 2018 till 31st August 2018.)
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NIL		
2.			
3.			

For Greenply Industries Limited

(Kaushal Kumar Agarwal)
Company Secretary & Vice President-Legal



Place: Kolkata
Date: 3rd September 2018

Greenply Industries Limited

'Madgul Lounge' 5th & 6th Floor, 23 Chetla Central Road, Kolkata-700027, West Bengal, India
T : +91 33 30515000 F : +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000
E : sales.ply@greenply.com Web : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com
Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211A51990PLC003484

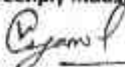


Compliance Report

It is hereby certified that the draft Composite Scheme of Arrangement involving Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), including the following:

Sl.	Reference	Particulars
1	Regulations 17 to 27 of LODR	Corporate governance requirements
2	Regulation 11 of LODR Regulations	Compliance with securities laws
Requirements of this Circular		
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report is not applicable as there is no change in the shareholding pattern of the listed Demerged Company and the Resulting Company since the Scheme falls under the illustration provided in Para (I)(A)(4)(d)(i) of the Circular. However, the Demerged Company has submitted the Share Entitlement Report of M/s. S. P. Shaw & Co., Chartered Accountants, Kolkata.
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards
(e)	Para (I)(A)(9)	None of the events under para (A)(9)(a) and(b) of the Circular are applicable to the Scheme. Relevant Undertaking of the Company duly approved by the Board and certified by the Auditor is submitted. The provision of approval of shareholders through e-voting will be complied with.

For Greenply Industries Limited

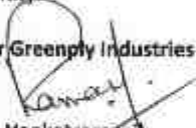

(Kaushal Kumar Agarwal)
Company Secretary &
Vice President-Legal

For Greenply Industries Limited


(Rajesh Mittal)
Managing Director
DIN - 00240900

Certified that the transactions / accounting treatment provided in the draft Composite Scheme of Arrangement involving Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) are in compliance with all the Accounting Standards applicable to a listed entity.

For Greenply Industries Limited


(V. Venkatramani)
Chief Financial Officer

For Greenply Industries Limited


(Rajesh Mittal)
Managing Director
DIN - 00240900

Date: 30.07.2018
Place: Kolkata

Greenply Industries Limited

'Madgul Lounge', 5th & 6th Floor, 23 Chetia Central Road, Kolkata-700027, West Bengal, India
T +91 33 30515000 | F +91 33 30515010 | Toll Free : 1800-103-1050 | Whatsapp : 9007755000
E: sales.ply@greenply.com | Web : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com
Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L2021TA51990PLC003484

Report adopted by the Board of Directors of Greenply Industries Limited at its meeting held on 30th May, 2018 pursuant to the provisions of Section 232 (2)(c) of the Companies Act, 2013, explaining the effect of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors, on the equity shareholders, Key Managerial Personnel, Promoters and non-promoter shareholders and directors of Greenply Industries Limited.

Background

1. The proposed Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") had been approved by the board of directors of the Demerged Company ("Board") vide the resolution passed at its meeting on May 30, 2018.
2. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board to adopt a report explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report adopted by the Board is required to be circulated to the shareholders and creditors along with the notice convening the meeting of members/creditors.
3. This report of the Board is accordingly prepared in accordance with the requirements specified under Section 232 (2)(c) of the Companies Act, 2013.
4. The following documents were considered by the Board for the purpose of issuing this report:
 - a) The draft of the Scheme.
 - b) Report by M/s. S.P. Shaw & Co., Chartered Accountants in respect of the share entitlement ratio.
 - c) Fairness opinion dated May 30, 2018 provided by the merchant banker in respect of the fairness of the share entitlement ratio.
 - d) Report of the Audit Committee of the Demerged Company, recommending the draft Scheme to the Board for approval.

Report

1. The Scheme provides for the transfer of the Demerged Undertaking (as defined in the Scheme) to the Resulting Company. There will be no change in the shareholding pattern of the Demerged Company.
2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the record date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company. Further, upon issue of the new equity shares to the shareholders of the Demerged Company on the record date, all existing equity shares held by the existing shareholders of the Resulting Company (i.e. not including the shareholders of the Demerged Company on the record date), shall stand cancelled, without any further act or deed.
3. The requirement of the valuation report is not applicable for the Scheme as there is "no change in the shareholding pattern" of the Demerged Company and the Resulting Company in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. However, the share entitlement ratio provided in the report by M/s. S.P. Shaw & Co., Chartered Accountants (FRN 314229E), Kolkata has been taken on record. No special valuation difficulties were reported by them.



Effect of the Scheme on the Equity Shareholders (the only class of shareholders) and Promoters and Non-Promoter Shareholders of the Demerged Company

1. Basis the share exchange ratio mentioned above, the Resulting Company shall issue shares to the shareholders of the Demerged Company in the ratio of 1:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.
2. Further, within 36 (thirty six) months from the listing of the equity shares of the Resulting Company, there shall be a realignment of shareholding among promoters and promoter group of the Demerged Company and the promoters and promoter group of the Resulting Company as set out in the Scheme.
3. Pursuant to the Scheme, all shareholders of the Demerged Company as on the Record Date (as defined in the Scheme) will receive equity shares in the Resulting Company and subsequently, such shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.
4. The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objectives of both the companies and in the growth and development of their respective businesses.
5. The Scheme is also intended to: (i) provide enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses; (ii) enable dedicated management focus, resources and skill set allocation to each of the businesses, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company; (iii) provide enhanced strategic flexibility in the operation of each of the businesses; (iv) expand the potential client / customer market for each of the businesses; (v) provide access to various sources of funds and investments for the rapid growth of both the businesses.

Basis the aforesaid, we understand that there will be no adverse effect of the Scheme on the equity shareholders, directors, promoters and non-promoter shareholders of the Demerged Company.

Effect of the Scheme on the Directors and Key Managerial Personnel of the Demerged Company

5. None of the Directors and key managerial personnel of the Demerged Company or their respective relatives have any interest in the Scheme except to the extent the (i) equity shares held by them in the Demerged Company and the Resulting Company directly or as a nominee; and/or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s), key managerial personnel and their respective relatives are the director(s), partner(s), member(s) and/or beneficiary(ies) of the companies, firms, association of persons, bodies corporates and/or trust, as the case may be, that hold shares in the Demerged Company/ Resulting Company. There will be no adverse effect of the Scheme on the directors and key managerial personnel of the Demerged Company.

For and on behalf of the Board of Directors



Name: Shiv Prakash Mittal
Designation: Executive Chairman
DIN: 00237242

Place: Kolkata
Date: 30.05.2018



GREENPANEL INDUSTRIES LIMITED

Report adopted by the Board of Directors of Greenpanel Industries Limited at its meeting held on 30th May, 2018 pursuant to the provisions of Section 232 (2)(c) of the Companies Act, 2013, explaining the effect of the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors, on the equity shareholders, Key Managerial Personnel, Promoters and non-promoter shareholders and directors of Greenpanel Industries Limited

Background

1. The proposed Composite Scheme of Arrangement between Greenply Industries Limited ("**Demerged Company**") and Greenpanel Industries Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**") had been approved by the board of directors of the Resulting Company ("**Board**") vide the resolution passed at its meeting on May 30, 2018.
2. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board to adopt a report explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report adopted by the Board is required to be circulated to the shareholders and creditors along with the notice convening the meeting of members/creditors.
3. This report of the Board is accordingly prepared in accordance with the requirements specified under Section 232 (2)(c) of the Companies Act, 2013.
4. The following documents were considered by the Board for the purpose of issuing this report:
 - a) The draft of the Scheme.
 - b) Report by M/s. S.P. Shaw & Co., Chartered Accountants in respect of the share entitlement ratio.
 - c) Fairness opinion dated May 30, 2018 provided by the merchant banker in respect of the fairness of the share entitlement ratio.

Report

1. The Scheme provides for the transfer of the Demerged Undertaking (as defined in the Scheme) to the Resulting Company.
2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the record date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company. Further, upon issue of the new equity shares to the shareholders of the Demerged Company on the record date, all existing equity shares held by the existing shareholders of the Resulting Company (i.e. not including the shareholders of the Demerged Company on the record date), shall stand cancelled, without any further act or deed.

GREENPANEL INDUSTRIES LIMITED

3. The requirement of the valuation report is not applicable for the Scheme as there is "no change in the shareholding pattern" of the Demerged Company and the Resulting Company in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. However, the share entitlement ratio provided in the report by M/s. S.P. Shaw & Co., Chartered Accountants (FRN 314229E), Kolkata with respect to the Scheme has been taken on record. No special valuation difficulties were reported by them.

Effect of the Scheme on the Equity Shareholders (the only class of shareholders) and Promoters and Non-Promoter Shareholders of the Resulting Company

1. Basis the share exchange ratio mentioned above, the Resulting Company shall issue shares to the shareholders of the Demerged Company in the ratio of 1:1 and the shares held by the Demerged Company in the Resulting Company shall be extinguished.
2. Further, within 36 (thirty six) months from the listing of the equity shares of the Resulting Company, there shall be a realignment of shareholding among promoters and promoter group of the Demerged Company and the promoters and promoter group of the Resulting Company as set out in the Scheme.
3. Pursuant to the Scheme, all shareholders of the Demerged Company as on the Record Date (as defined in the Scheme) will receive equity shares in the Resulting Company and subsequently, such shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.
4. The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objectives of both the companies and in the growth and development of their respective businesses.
5. The Scheme is also intended to: (i) provide enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses; (ii) enable dedicated management focus, resources and skill set allocation to each of the businesses, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company; (iii) provide enhanced strategic flexibility in the operation of each of the businesses; (iv) expand the potential client / customer market for each of the businesses; (v) provide access to various sources of funds and investments for the rapid growth of both the businesses.

GREENPANEL INDUSTRIES LIMITED

Basis the aforesaid, we understand that there will be no adverse effect of the Scheme on the equity shareholders, directors, promoters and non-promoter shareholders of the Resulting Company.

Effect of the Scheme on the Directors and Key Managerial Personnel of the Resulting Company

6. None of the Directors of the Resulting Company or their respective relatives have any interest in the Scheme except to the extent the (i) equity shares held by them in the Demerged Company and the Resulting Company directly or as a nominee; and/or (ii) Director(s) are common director(s) in the two companies; and/or (iii) the Director(s) and their respective relatives are the director(s), partner(s), member(s) and/or beneficiary(ies) of the companies, firms, association of persons, bodies corporates and/or trust, as the case may be, that hold shares in the Demerged Company/ Resulting Company. There are no key managerial personnel in the Resulting Company. There will be no adverse effect of the Scheme on the directors of the Resulting Company.

For and on behalf of the Board of Directors



Name: Shiv Prakash Mittal

Designation: Director

DIN: 00237242

Place: Kolkata

Date: 30.05.2018



S.P. SHAW & CO.

CHARTERED ACCOUNTANTS

REPORT ON THE RECOMMENDATION OF RATIO FOR THE ISSUE OF EQUITY SHARES OF RESULTING COMPANY TO THE SHAREHOLDERS OF DEMERGED COMPANY IN CONSIDERATION OF DEMERGER OF TRANSFERRED BUSINESS OF DEMERGED COMPANY

1. BACKGROUND

- a. Demerged Company (hereinafter referred to as "Greenply Industries Limited") is a public limited company incorporated under the provisions of the Companies Act 1956 and having its registered office at Makum Road, Tinsukia, Assam – 786125. Equity shares of Demerged Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Demerged company is engaged in the business of manufacturing, marketing and trading of wide range of interior infrastructure and surface finishes products including Plywood, Decorative Veneers, Doors, Medium Density Fibreboard (MDF) and their allied products.
- b. The Board of Directors of the Demerged Company has consented to explore an option for the demerger of its Transferred Business (hereinafter referred to as "Demerged Undertaking") into Resulting Company (hereinafter referred to as "Greenpanel Industries Limited") a wholly owned subsidiary of Demerged Company.
- c. The Demerger is to be structured through Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ('the scheme'). Under the scheme, the Demerged Undertaking will be transferred to Resulting Company. We are also informed that the demerger will be in accordance with provisions of Section 2(19AA) of the Income tax Act, 1961 whereby the transaction will be carried out at book value.
- d. We have been informed that the appointed date for the Demerger is 1st April 2018.
- e. In this regard we have been requested to recommend a ratio for issue of Equity Share of Resulting Company to shareholders' of Demerged Company in consideration of demerged undertaking into Resulting Company.

Demerged Undertaking Definition

- 1.1 "Demerged Undertaking" means the entire activities, operations, business division and undertaking of the Demerged Company pertaining to the Transferred Business as is presently carried out by the Demerged Company and which is being transferred to the Resulting Company on a going concern basis along with all related assets, liabilities, employees, rights, powers and shall include (without limitation) in particular the following:



"Sagar Court" 7, Garstin Place 2nd Floor, Kolkata - 700 001

Tel : 2210-8964, 4005-6268

E-mail: caspshaw09@gmail.com

- (i) all assets (including appliances, accessories, furniture, fixtures and leasehold improvements, where applicable) whether movable or immovable, tangible or intangible, including all rights, titles and interest in connection with the land, and buildings thereon, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, sundry debtors, cash and bank balances, other fixed assets, benefit of any deposits, financial assets, investments, benefit of any bank guarantees and all other assets whether real or personal, present, future or contingent and liabilities relating to the Demerged Undertaking, except as provided in this Scheme;
- (ii) all permits, rights (including, without limitation, rights under any customer contracts, supply contracts, insurance contracts or other contracts or agreements), licenses (including, without limitation, approvals, authorizations, consents, tenancies, offices, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions and unabsorbed depreciation, tenancies in relation to office, lease rights, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- (iii) all deposits and balances with Government (including share of advance taxes, taxes deducted at source in connection with the business of the Demerged Undertaking, entitlements to refund and / or credits of service tax, central excise, GST in connection with the business of the Demerged Undertaking, entitlements to refund and / or credits of the value added tax (in all states) in connection with the business of the Demerged Undertaking and such other tax credits as may pertain to the Demerged Undertaking), semi-government, local and other authorities and bodies, customers, other persons, earnest moneys and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking, to the extent set out in this Scheme;
- (iv) all employees of the Demerged Company substantially engaged in the Demerged Undertaking and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the business of the Demerged Undertaking;
- (v) all debts, borrowings, obligations, duties and liabilities both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Undertaking, to the extent set out in this Scheme;



- (vi) all trade and service names and marks (including any right to use trademarks), patents, copyrights (including any right to use copyrights), designs, brand names (including the right to use brand names), patents, use of technology rights, and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Demerged Undertaking; and
- (vii) all legal proceedings of whatsoever nature by or against the Demerged Company pending or threatened on the Appointed Date and relating to the Demerged Undertaking.

Transferred Business Definition

Business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. Presently, this business consists of the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and overseas subsidiary viz. Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkermal (Singapore) Pte. Ltd. (registered in Singapore).

2. SOURCES OF INFORMATION AND ANALYSIS

- a. For the purpose of this exercise, the following sources of information and analysis was relied upon :
 - i. Audited Financial Statements of Demerged Company for the financial year ending as at 31st March 2018.
 - ii. Audited financial statements of Resulting Company for the financial year ending as at 31st March 2018.
 - iii. Dividend Payout history of the Demerged Company.

3. RECOMMENDED RATIO

- a. A ratio of one fully paid-up equity share (Face Value of Re. 1/- each) of the Resulting Company has been recommended for every 1 existing fully paid-up equity share (Face value of Re.1/- each) of the Demerged Company in consideration of the demerger.



- b. Based on the Scheme and analysis of the same, all the shareholders of the Demerged Company as on record date will, upon demerger, be ultimate beneficial economic owners of the Resulting Company and that upon allotment of equity shares by the Resulting Company in the proposed Share entitlement ratio, the beneficial economic interest of the shareholders in the equity of the Resulting Company will be the same as it is in the equity of the Demerged Company.
- c. Para 1(A)(4) of SEBI Circular dated March 10, 2017 provides that a valuation report is **not applicable** where there is no change in the share-holding pattern of the Demerged Company and Resulting Company.

In light of the above, a fair valuation of the equity shares of the Demerged Company and the Resulting Company has not been carried out.


Valuation Approach	Demerged Company		Resulting Company	
	Value per share	Weight	Valuation per share	Weight
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per Share	N.A.		N.A.	
Exchange ratio (rounded off)			N.A.	

- d. Taking into consideration the dividend payout history of Greenply Industries Limited, post scheme debt equity ratio and profitability of the respective Companies and other parameters post effectiveness of the Scheme, one can reasonably expect that the Demerged Company and the Resulting Company together shall be able to maintain similar equity servicing levels as maintained by Greenply Industries Limited earlier.
- e. The Demerger of the Transferred Business will be as per requirement of Section 2(19AA) of the Income Tax Act 1961. Accordingly Greenply Industries Limited will transfer the Asset and Liabilities of Transferred Business to Greenpanel Industries Limited at its book value as appearing in the books of Greenply Industries Limited. The Shareholders of Greenply Industries Limited would be entitled to shares of Greenpanel Industries Limited in the same proportion which they currently own in Greenply Industries Limited.



- f. We believe that the above ratio is reasonable considering that Greenpanel Industries Limited is a 100% Subsidiary of Greenply Industries Limited prior to the proposed demerger, the pre scheme outstanding equity capital of the Resulting Company shall be cancelled and the shareholders of Greenply Industries Limited shall hold shares in Greenpanel Industries Limited in the same proportion as in Greenply Industries Limited and hence the proposed demerger of Transferred Business of Greenply Industries Limited into Greenpanel Industries Limited will be value neutral to Greenply Industries Limited and its shareholders.
- g. This report has been prepared for the Board of Directors of the Demerged Company and the Resulting Company solely for the purpose of recommending ratio for issue of equity shares of Resulting Company to shareholders of Demerged Company in consideration of Demerger of Transferred Business.

For S.P. SHAW & CO.
Chartered Accountants
Firm's Regn No. 314229E


(S.P. Shaw)
Partner
Membership No. 51927



Place: Kolkata
Dated 07th day of August, 2018

B S R & Co. LLP

Chartered Accountants

Godraj Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4295

The Board of Directors
Greenply Industries Limited
Madgul Lounge, 6th Floor
23 Chetla Central Road
Kolkata - 700027

Independent Auditors' certificate on the proposed accounting treatment specified in the Draft Composite Scheme of Arrangement

1. This Certificate is issued in accordance with the terms of our engagement letter dated 31 May 2018.
2. We, the Statutory Auditors of Greenply Industries Limited ('the Company' or 'the Demerged Company'), have examined the proposed accounting treatment specified in Clause 9 of the Draft Composite Scheme of Arrangement ('the Draft Scheme'), approved by Board of Directors of the Company on 30 May 2018, between Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ('the Act') (to the extent specified) with reference to its compliance with the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 and other Generally Accepted Accounting Principles in India.
3. For ease of reference, the extract of Clause 9 of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in the Annexure to this certificate and has been initialed by us, only for the purpose of identification.

Management's Responsibility

4. The responsibility for preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including applicable Accounting Standards read with rules made thereunder and other Generally Accepted Accounting Principles as aforesaid, is that of the Board of Directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

5. Our responsibility is to examine and report whether the accounting treatment referred to in the Draft Scheme, comply with the applicable Accounting Standards and other Generally Accepted Accounting Principles in India. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.



B S R & Co. is partnership firm with Registration No. RA61228 converted into B S R & Co. LLP in Limited Liability Partnership with LLP Registration No. RA6-B1B1 which is/was from October 14, 2013.

Registered Office:
5th Floor, Lohra Complex
Rachhi Mili Compound
N.M. Joshi Marg, Maturloni
Mumbai - 400 011

Independent Auditors' certificate on the proposed accounting treatment specified in the Draft Composite Scheme of Arrangement (continued)

Auditors' Responsibility (continued)

6. We conducted our examination of the accounting treatment specified in Clause 9 of the Draft Scheme as reproduced in Annexure to the certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment specified in Clause 9 of the Draft Scheme, attached herewith and stamped by us for identification purpose only, is in compliance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and circular issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 and other Generally Accepted Accounting Principles in India, as applicable.

Restriction on Use

9. The certificate is addressed to and issued to the Board of Directors of the Company solely for the purpose to enable compliance with the Companies Act, 2013 and the SEBI Regulations and for onward submission to The Securities Exchange Board of India, the BSE Limited, the National Stock exchange of India Limited and National Company Law Tribunal. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number: 101248W/W-100022


Jayanta Mukhopadhyay

Partner

Membership No: 055757



Place: Kolkata

Date: 31 May 2018



Annexure to Independent Auditors' certificate, dated 31 May 2018, on the proposed accounting treatment specified in the Draft Composite Scheme of Arrangement

Relevant extract of 'Clause 9 - Accounting Treatment' as per Draft Composite Scheme of Arrangement between Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) and their respective shareholders and creditors

9 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Resulting Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

The Demerged Company and Resulting Company both being entities under common control, the accounting would be done at book values for all the assets and liabilities acquired by the Resulting Company of the Demerged Undertaking by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

9.1 IN THE BOOKS OF THE DEMERGED COMPANY

9.1.1 Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets (ignoring revaluation, if any) and the liabilities pertaining to the Demerged Undertaking as on the Appointed Date.

9.1.2 The difference between value of the assets and value of the liabilities transferred in accordance with the aforesaid Paragraph will be recorded in the following order: (1) Capital Redemption Reserve; (2) Securities Premium Reserve; (3) General Reserve; (4) Retained Earnings in the books of the Demerged Company. If value of liabilities transferred is more than value of assets transferred to Resulting Company, then the balance shall be recorded in capital reserves.

9.2 IN THE BOOKS OF THE RESULTING COMPANY

9.2.1 Upon the Scheme becoming effective, the Resulting Company shall:

(a) record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values (ignoring revaluation if any) as appearing in the books of Demerged Company as on the Appointed Date;

(b) credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme and Paragraph 12.



Greenply Industries Limited

*Madgul Lounge, 5th & 6th Floor, 23 Chelsea Central Road, Kolkata-700027, West Bengal, India

T +91 33 30515000 F +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000

E : sales.ply@greenply.com Web | www.greenplyplywood.com | www.greenply.com | www.askgreenply.com

Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC03484

SIGNED FOR IDENTIFICATION
BY

For B S P Co. LLP

CHARTERED ACCOUNTANTS



Relevant extract of 'Clause 9 - Accounting Treatment' as per Draft Composite Scheme of Arrangement between Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) and their respective shareholders and creditors (continued)

- 9.2.2 The excess of assets of the Demerged Undertaking as on the Appointed Date over the (i) book value of the liabilities of the Demerged Undertaking as on the Appointed Date and (ii) paid up value of the equity shares issued by the Resulting Company to the Shareholders of Demerged Company (the amount credited as share capital), will be credited to the capital reserve account of the Resulting Company. In case of there being a shortfall, the same shall be debited to goodwill.

For Greenply Industries Limited

CIN: L20211AS1990PLC003484



Authorised Signatory

Name: Vishwanathan Venkatramani

Designation: Chief Financial Officer

Place: Kolkata

Date: 31 May 2018

**SIGNED FOR IDENTIFICATION
BY**

For B S M & Co. LLP
CHARTERED ACCOUNTANTS

Greenply Industries Limited

'Madgul Lounge', 5th & 6th Floor, 23 Chella Central Road, Kolkata-700027, West Bengal, India

T +91 33 30515000 F +91 33 30515010 | Toll Free : 1800-103-4050 Whatsapp : 9007755000

E : sales.ply@greenply.com Web : www.greenplyplywood.com | www.greenply.com | www.askgreenply.com

Registered Office : Makum Road, Tinsukia - 786125, Assam, India | Corporate Identity Number : L20211AS1990PLC003484



30th May, 2018

The Board of Directors
Greenply Industries Ltd.
Madgul Lounge, 6th Floor
23 Chetla, Central Road
Kolkata – 700 027

Dear Sirs,

Sub: Proposed demerger of "Transferred Business" of Greenply Industries Ltd.

I. Engagement Background

We have been informed that the Board of Directors ("Board") of Greenply Industries Ltd. ("Parent Company / GIL") has consented to explore option for the demerger of transferred business and all the estate, assets, rights, claims, title, interest, licenses, liabilities, employees, accretions and appurtenances relating thereto of GIL ("Transferred Business / Demerged Undertaking") into Greenpanel Industries Ltd. ("Resulting Company / GPL") under a draft of the Composite Scheme of Arrangement under sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Scheme").

The Scheme envisages a demerger of the transferred business into the Resulting Company as per the terms and the conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In consideration of the transfer of the Demerged Undertaking to the Resulting Company pursuant to the Scheme:

- For every 1 (one) equity share of the face value of Re. 1 each held by the shareholders of GIL, the Resulting Company shall issue and allot 1 (one) equity share of the face value of Re. 1 each fully paid up (hereinafter referred to as the "Exchange Ratio").

In connection with the aforesaid, you requested our fairness opinion ("Opinion") as of the date hereof, on the fairness of the Exchange Ratio to the equity shareholders of GIL.



1

Edelweiss Financial Services Limited

Corporate Identity Number : L99999MH1995PLC094641

Registered Office : Edelweiss House, Off CST Road, Kalina, Mumbai 400098 ☎ +91 22 4009 4400 ☎ +91 22 4019 3610 www.edelweissfin.com

Branch Office : UGF - 1, Mercantile House, 15, K. G. Marg, New Delhi 110001 ☎ +91 11 4357 1111 ☎ +91 11 4357 1134

II. Basis of Opinion

Business Rationale

In the rationale of the Scheme, it has been provided that in order to create an independent platform for the faster growth of the Demerged Undertaking and with the intent of providing focus and greater attention, it is desirable to separate the transferred business into the Resulting Company.

The key features of the Scheme provided to and relied upon by us for framing an Opinion on Exchange Ratio in consideration of the demerger are as under:

1. Upon the Scheme becoming effective, all the assets and liabilities with respect to the Demerged Undertaking will be separated into the Resulting Company.
2. As consideration for the transfer, equity shares in the Resulting Company shall be issued to the equity shareholders of the Parent Company, except on and from the effective date, all existing equity shares which the Parent Company holds in the Resulting Company (either directly or through nominees) shall get cancelled without any further application, act or deed. It is clarified that no new equity shares shall be issued or payment made in cash whatsoever by the Resulting Company in lieu of such shares of the Parent Company.
3. All the shareholders of the Parent Company as presented in Annexure 1, shall become shareholders of the Resulting Company in the same proportion that they currently own shares in the Parent Company. The Capital structures of the Parent and Resulting companies have been presented in Annexure 2.
4. Exchange Ratio is based on a valuation report submitted by S.P. Shaw and Co. Chartered Accountants.

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.



III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review details provided to us by the Parent Company and the Scheme.

We have relied upon the accuracy and completeness of all information and documents provided to us, including the audited financial statements of the Parent Company and Resulting Company as on March 31, 2018 as provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Parent Company and / or its subsidiaries or the Resulting Company. In particular, we do not express any Opinion as to the value of any asset of the Parent Company and / or its subsidiaries or the Resulting Company, whether at current prices or in the future. We shall not be responsible for any loss, damage, costs or other consequences whatsoever, if any material information is withheld or concealed from or misrepresented to us in any manner.

No investigation of GIL/GPL claim to title of assets has been made by us for the purpose of this exercise and the GIL/GPL claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the audited financial statements. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our Opinion is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed demerger.

We do not express any opinion as to the price at which shares of the Resulting Company may list or trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals of the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Parent Company and / or its subsidiaries, Resulting Company and their respective shareholders. We express no Opinion and have assumed that the demerger will not trigger obligations to make open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the Exchange Ratio.



We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Parent Company and / or its subsidiaries, Resulting Company and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters as to which we understand that the management of Parent Company and the Resulting Company have obtained such advice as they deemed necessary from qualified professionals. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the Scheme, or class of such persons, relative to the Exchange Ratio or otherwise.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the arrangement as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Further, we assume that the Resulting Company will have sufficient authorized capital to issue the requisite number of new shares.

We, as Edelweiss Financial Services Limited ("Edelweiss") may currently or in the future provide investment banking services to the Parent Company and the Resulting Company and/or their subsidiaries or respective affiliates that are unrelated to the Scheme for which we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Edelweiss may actively trade securities of the Resulting Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the GIL in connection with its consideration of the Scheme and for none other. Neither Edelweiss, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied as to the information and documents provided to us. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

Our fee for our services will be payable on delivery of this Opinion and is not contingent on the successful completion of the Scheme. In addition, GIL has agreed to reimburse our out-of-pocket expenses and indemnify us against liabilities/losses arising out of our engagement.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act in connection with the Scheme or any matter related thereto.

4



Edelweiss Financial Services Limited

Corporate Identity Number : L99999MH1995PLC094641

Registered Office : Edelweiss House, Off CST Road, Kallina, Mumbai 400098 ☎ +91 22 4009 4400 ☎ +91 22 4019 3610 www.edelweissfin.com

Branch Office : UGF - 1, Mercantile House, 15, K. G. Marg, New Delhi 110001 ☎ +91 11 4357 1111 ☎ +91 11 4357 1134

It is assumed that post effectiveness of the Scheme, one can reasonably expect that GIL and the Resulting Company together shall be able to maintain similar equity servicing levels as maintained by GIL earlier.

It is clarified that we were not requested to, and we did not, solicit third party indications of interest in the demerger. Our Opinion does not address the relative merits of the demerger as compared to alternative transactions or strategies that might be available to GIL/GPL, nor does it address the underlying business decision of GIL/GPL to proceed with the demerger.



-----This part of the page has been intentionally Left blank-----

IV. Conclusion

Taking into account the parameters post effectiveness of the scheme, one can reasonably expect that the Demerged Entity and the Resulting Company together shall be able to maintain similar equity servicing levels as maintained by GIL earlier. Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Exchange Ratio is fair to the Equity shareholders.

Sincerely yours,

For Edelweiss Financial Services



Authorized Signatory

Annexure - 1

Pre-demerger

Greenply Industries Limited Authorized Capital as on 31.03.2018

<i>Particulars</i>	<i>Rupees (INR)</i>
<i>Authorized:</i>	
(a) 16,00,00,000 equity shares of INR 1.00 each	16,00,00,000
(b) 50,00,000 Cumulative Redeemable Preference Shares of INR 10.00 each	5,00,00,000
Total	21,00,00,000

Greenply Industries Limited Shareholding Pattern as on 31.03.2018

Shareholder Category	No. of shares held	% Shareholding
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%

Greenpanel Industries Limited Authorized Capital as on 31.03.2018

<i>Particulars</i>	<i>Rupees (INR)</i>
<i>Authorized:</i>	
1,00,00,000 equity shares of INR 1.00 each	1,00,00,000

Greenpanel Industries Limited Shareholding Pattern as on 31.03.2018

Name of Shareholder	No. of Shares held	% Shareholding
Greenply Industries Ltd.	9,99,994	99.9994%
Shiv Prakash Mittal	1*	0.0001%
Santosh Mittal	1*	0.0001%
Shobhan Mittal	1*	0.0001%



Edelweiss Financial Services Limited

Corporate Identity Number : L99999MH1995PLC094641

Registered Office : Edelweiss House, Off CST Road, Kalina, Mumbai 400098 ☎ +91 22 4009 4400 ☎ +91 22 4019 3610 www.edelweissfin.com

Branch Office : UGF - 1, Mercantile House, 15, K. G. Marg, New Delhi 110001 ☎ +91 11 4357 1111 ☎ +91 11 4357 1134

Chitwan Mittal	1*	0.0001%
Rajesh Mittal	1*	0.0001%
Sanidhya Mittal	1*	0.0001%
Total	10,00,000	100.00%

*Holding on behalf of Greenply Industries Limited. Greenply Industries Limited holds the beneficial interest in the said shares.

Source: BSE website as on 28th May, 2018 and Company data

Post-demerger

Greenply Industries Limited Shareholding Pattern

Shareholder Category	No. of shares held	% Shareholding
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%

Greenpanel Industries Limited Shareholding Pattern

Shareholder Category	No. of shares held	% Shareholding
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%



Annexure - 2

Pre demerger

Greenply Industries Limited Capital Structure as on 31.03.2018

Shareholder Category	Capital Contributed (in INR)	% Contribution
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%

Note - Each share has a face value of INR 1

Greenpanel Industries Limited Capital Structure as on 31.03.2018

Name of Shareholder	Capital Contributed (in INR)	% Contribution
Greenply Industries Ltd.	9,99,994	99.9994%
Shiv Prakash Mittal	1*	0.0001%
Santosh Mittal	1*	0.0001%
Shobhan Mittal	1*	0.0001%
Chitwan Mittal	1*	0.0001%
Rajesh Mittal	1*	0.0001%
Sanidhya Mittal	1*	0.0001%
Total	10,00,000	100.0000%

* Greenply Industries Limited holds the beneficial interest in the said capital.

Note - Each share has a face value of INR 1

Source: BSE website and Ministry of Corporate Affairs as on 28th May, 2018 and company data



Post demerger (Assuming shareholding remains same as pre-demerger shareholding as on 31.03.2018)

Greenply Industries Limited Capital Structure

Shareholder Category	Capital Contributed (in INR)	% Contribution
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%

Note - Each share has a face value of INR 1

Greenpanel Industries Limited Capital Structure

Shareholder Category	Capital Contributed (in INR)	% Contribution
Promoter and Promoter Group	62,575,000	51.03%
Mutual Funds	23,657,136	19.29%
Foreign Portfolio Investors	14,338,490	11.69%
Financial Institutions/ Banks	31,544	0.03%
Individuals	13,090,793	10.68%
Any Other	8,934,432	7.28%
Total	122,627,395	100.00%

* Greenply Industries Limited holds the beneficial interest in the said capital.

Note - Each share has a face value of INR 1



B S R & Co. LLP

Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5
Block - DP, Sector V, Salt Lake
Kolkata - 700 091

Telephone: + 91 33 4403 4000
Fax: + 91 33 4403 4199

INDEPENDENT AUDITOR'S REPORT**To the Members of Greenply Industries Limited****Report on the Audit of the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **Greenply Industries Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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.



B S R & Co. is partnership firm with Registration No. BA61223 converted into B S R & Co. LLP is Limited Liability Partnership with LLP Registration No. AAR-8181 with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excess
Apollo Mills Compound
V.M. Jeehi Marg, Mahalakshmi
Mumbai - 400 011

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the standalone Ind AS financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 29 May 2017 expressed an unmodified opinion.

Our opinion is not modified in respect of the above matter.

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 in terms of Section 143(11) of the Act, we give in 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 and taken on record by the Board of Directors, we report that, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act, as on 31 March 2018, except that in respect of one of the director whose name appears in the list of disqualified directors as hosted by the Ministry of Corporate Affairs ('MCA') under Section 164(2). According to the information and explanation given to us, the said director has filed an appeal with the National Company Law Tribunal ('NCLT') under MCA for restoration of the status, and has filed a writ petition with the Hon'ble High Court of Delhi at New Delhi, and has been granted stay order by Hon'ble High Court of Delhi at New Delhi till the time of disposal of the appeal by the NCLT;
 - f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements 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 standalone Ind AS financial statements - Refer Note 37 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and



- iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement do not pertain to financial year ended 31 March 2018.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Jayanta Mukhopadhyay
Partner

Membership no: 055757

Place: Kolkata

Date: 29 May 2018

**Annexure A to the Independent Auditor's Report
(Referred to in our report of even date)**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods in transit, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit, subsequent goods receipts have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and has been adjusted in the books of account.
- (iii) According to the information and explanations given to us and based on our examination of the records, the Company has granted unsecured loans to its two subsidiary companies covered in the register maintained under section 189 of the Act. The Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
 - (a) In our opinion, the terms and conditions on which the loans has been granted to the companies listed in the register maintained under section 189 of the Act were not prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to companies listed in the register maintained under section 189 of the Act, the companies are regular in payment of the principal and interest, as stipulated.
 - (c) There are no overdue amounts in respect of loan granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security during the year that would attract provisions of section 185 of the Act. The Company has complied with the provisions of section 186 of the Act with respect to investments made, loans given and guarantee provided. The Company has not provided any security under the provisions of section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.



- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the products manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Services tax, Duty of customs, Duty of excise, Entry tax, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

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, Goods and Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, entry tax, Goods and Service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Extra discount and turnover discount in the assessable value	667.05	32.71	June 2009 to March 2016	Commissioner Appeals, Rajkot
Central Excise Act, 1944	Extra discount and turnover discount in the assessable value	73.95	-	April 2016 to June 2017	Joint Commissioner, Bhavnagar
Central Excise Act, 1944	Wrong availment of service tax on direct sale	5.54	-	March 2006 to September 2007	CESTAT, Kolkata
Central Excise Act, 1944	Extra Amount collected in the name of finance charges	11.06	-	April 2002 to February 2005	CESTAT, Kolkata
Central Excise Act, 1944	Short Payment of Excise Duty	571.74	-	April 2010 to January 2013	CESTAT, Kolkata
Central Excise Act, 1944	Incorrect valuation of goods cleared as sample including penalty	6.69	0.25	April 2011 to March 2015	Commissioner of Central Excise (Appeals)



Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Reversal of credit availed in respect of imported Flexi-Plywood including penalty	97.31	3.65	April 2011 to March 2015	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Disallowance of Discounts	248.90	15.73	September 2009 to March 2010	CESTAT, Kolkata
West Bengal Sales Tax Act, 1994	Sales Tax Surcharge and Additional Surcharge Penalty (For short submission of Declaration Form 11)	10.26	-	April 1998 to March 1999	Senior Joint Commissioner of Commercial Taxes, Corporate Division
West Bengal Sales Tax Act, 1994	Sales Tax Surcharge and Additional Surcharge Penalty (For short submission of Declaration Form 11)	67.08	-	April 2000 to March 2001	Assistant Commissioner of Commercial Taxes, South Circle
West Bengal Sales Tax Act, 1994	Disallowance of Input Vat and Purchase Tax	8.40	-	April 2005 to March 2006	West Bengal Commercial Taxes Appellate and Revision Board
West Bengal Sales Tax Act, 1994	Disallowance of Input Vat and Purchase Tax	296.57	-	April 2008 to March 2009	West Bengal Taxation Tribunal
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry tax	692.83	-	July 2013 to December 2014	Hon'ble Calcutta High Court
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C)	17.59	-	April 2000 to March 2001	Assistant Commissioner of Commercial Taxes, South Circle
Central Sales Tax Act, 1956	Sales Tax (For short submission of Declaration Form C)	8.72	-	April 2005 to March 2006	West Bengal Commercial Taxes Appellate and Revision Board



Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax (For Non allowance of Declaration Form C and F)	74.63	-	April 2008 to March 2009	Hon'ble Calcutta High Court
Central Sales Tax Act, 1956	Sales Tax (For Non allowance of Declaration Form C and F)	119.27	11.43	April 2014 to March 2015	Senior Joint Commissioner LTU Commercial Taxes
Central Sales Tax Act, 1956	Sales Tax (For Non allowance of Declaration Form "C")	5.33	-	April 2013 to March 2014	Additional Commissioner, Appeal, Sales Tax
Customs Act, 1962	Disallowance of benefits under SIFS license	391.92	14.70	July 2013 to December 2014	CESTAT, Kolkata
Kerala VAT ACT, 2003	Sales Tax (Tax and Interest charged on Escaped Turnover)	2.74	-	April 2013 to March 2015	Assistant Commissioner, Sales Tax
Madhya Pradesh VAT Act, 2002	Denial of Value Added Tax Input	1.33	-	April 2014 to March 2015	Deputy Commissioner (Appeal)
Bihar Value Added Tax Act, 2005	Denial of Entry Tax Credit	87.93	-	April 2008 to March 2010 April 2011 to March 2012	Joint Commissioner of Commercial Taxes (Appeals)
Orissa Entry Tax Act, 1999	Entry tax on freight and other incidental charges of purchase value	6.19	-	April 2014 to March 2015	Additional Commissioner of Commercial Taxes (Appeal), Bhubaneswar
Finance Act, 1994	Demand of Service tax refund on GTA services availed for transportation of wood log	591.47	-	August 2013 to June 2017	CESTAT, New Delhi

* paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institutions or banks. The Company did not have any outstanding loan or borrowings from government or debenture holders during the year.



- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans raised during the year were applied for the purpose for which it were obtained except for:

Nature of the fund raised	Details of default (Reason /Delay)	Amount (Rs. in lakhs)	Subsequently rectified (Yes/No)
Term loan	Fund temporary invested in bank deposits	500.00	Yes

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Jayanti Mukhopadhyay
Partner

Membership no: 055757

Place: Kolkata
Date: 29 May 2018

**Annexure - B to the Independent Auditor's Report
(Referred to in our report of even date)**

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Greenply Industries Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to financial statements

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that whether 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



A handwritten signature in black ink, appearing to read "Jayanta Mukhopadhyay".

Jayanta Mukhopadhyay

Partner

Membership no: 055757

Place: Kolkata

Date: 29 May 2018

Greenply Industries Limited
 Standalone Balance Sheet as at 31 March 2018
 ₹ in Lakhs

	Note	31 March 2018	31 March 2017
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	47,709.67	49,927.75
(b) Capital work-in-progress	5	77,040.12	21,610.81
(c) Other intangible assets	6	687.95	202.51
(d) Financial assets			
(i) Investments	7	7,636.61	7,217.46
(ii) Loans	8	2,899.43	1,287.11
(iii) Other financial assets	15	2,019.39	-
(e) Non-current tax assets (TAS)	9	153.19	-
(f) Other non-current assets	14	5,746.29	14,048.59
Total non-current assets		1,42,792.95	94,314.13
(2) Current assets			
(a) Inventories	10	21,496.73	15,825.69
(b) Financial assets			
(i) Trade receivables	11	28,439.92	30,111.59
(ii) Cash and cash equivalents	12	2,964.58	7,083.01
(iii) Other bank balances	13	35.36	70.81
(iv) Loans	8	1,38.47	581.67
(v) Derivatives	24	131.21	-
(vi) Other financial assets	15	1,946.36	2,256.66
(c) Other current assets	16	6,701.22	2,538.66
Total current assets		61,853.84	58,974.18
Total assets		2,05,646.79	1,53,288.31
Equity and liabilities			
Equity			
(a) Equity share capital	17	1,226.27	1,226.27
(b) Other equity	18	90,279.11	77,475.78
Total equity		91,505.38	78,702.05
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	45,910.71	25,742.55
(ii) Other financial liabilities	20	1,820.75	1,117.89
(b) Provisions	21	1,184.79	2,136.20
(c) Deferred tax liabilities (DTL)	35	2,645.19	1,492.33
(d) Other non-current liabilities	22	4,991.76	-
Total non-current liabilities		58,553.14	30,388.97
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	16,847.86	11,835.67
(ii) Trade payables	23	21,401.22	20,641.85
(iii) Derivatives	24	-	168.85
(iv) Other financial liabilities	26	11,800.97	7,678.62
(b) Other current liabilities	25	5,468.40	1,379.12
(c) Provisions	21	469.82	178.07
Total current liabilities		55,588.27	41,187.28
Total liabilities		1,14,141.41	71,586.27
Total equity and liabilities		2,05,646.79	1,53,288.31
Significant accounting policies	3		
The accompanying notes form an integral part of the standalone financial statements.			

As per our report of even date attached
 PwE BSR & Co. LLP
 Chartered Accountants
 Firm Registration number: 101248W/W-160022


 Jayanta Mukherjee
 Partner
 Membership No: 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of
 Greenply Industries Limited
 CIN: 120211AS1996PLC003484


 Shiv Prakash Mittal
 Executive Chairman
 (DIN: 00137241)


 Rajesh Mittal
 Managing Director
 (DIN: 00243600)


 Kaushal Kumar Agarwal
 Company Secretary & P.D. Officer

Place: Kolkata
 Dated: 29 May 2018



Greenply Industries Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2018
₹ in Lakhs

	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	26	1,70,413.55	1,77,701.56
II. Other income	27	378.20	437.43
III Total income (I+II)		1,70,791.75	1,78,138.99
IV. Expenses			
Cost of materials consumed	28	63,961.24	68,949.35
Purchase of stock in trade	29	26,253.78	22,831.81
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(1,809.31)	(3,809.48)
Excise duty		2,376.99	11,392.52
Employees benefits expense	31	18,520.24	17,073.57
Finance costs	32	947.23	1,811.77
Depreciation and amortisation expense	33	4,481.41	4,853.09
Other expenses	34	37,140.08	35,941.50
Total expenses (IV)		1,51,871.66	1,59,044.13
V. Profit before tax (III-IV)		18,920.09	19,094.86
Current tax		(4,065.61)	(4,182.47)
Deferred tax		(1,285.02)	(1,405.18)
VI. Tax expense	35	(5,350.63)	(5,587.65)
VII. Profit for the year (V-VI)		13,569.46	13,507.21
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability(asset)		183.55	(236.85)
Income tax relating to items that will not be reclassified to profit or loss		(64.14)	81.97
Net other comprehensive income not to be reclassified subsequently to profit or loss		119.41	(154.88)
IX. Total comprehensive income for the year (VII+VIII)		13,688.87	13,352.33
X. Earnings per equity share	36		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic (₹)		11.07	11.08
- Diluted (₹)		11.07	11.08

Significant accounting policies 3


The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration number: 101248W/W-100022


Jayantu Mukhopadhyay
 Partner
 Membership No: 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of


Greenply Industries Limited

CIN: L20211AS1990PLC003484


Shiv Prakash Mittal
 Executive Chairman
 (DIN: 00237242)


V. Venkatesh
 Chief Financial Officer

Place: Kolkata
 Dated: 29 May 2018


Rajesh Mittal
 Managing Director
 (DIN: 00240960)


Kaushal Kumar Agarwal
 Company Secretary & VP-Legal



Greenply Industries Limited
 Standalone Statement of changes in equity for the year ended 31 March 2018
 ₹ in Lakhs

a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2016		1,206.82
Issue of equity share capital during the year	17	19.45
Balance as at 31 March 2017		1,226.27
Changes in equity share capital during the year	17	-
Balance as at 31 March 2018		1,226.27

b) Other equity

Particulars	Note	Reserves and surplus			Items of OCI	Total
		Securities premium	General reserve	Retained earnings	Re-measurements of defined benefit liabilities	
Balance as at 1 April 2016		-	16,649.21	41,747.26	(243.54)	60,142.93
Total comprehensive income for the year ended 31 March 2017		-	-	-	-	-
Profit or loss		-	-	13,507.21	-	13,507.21
Other comprehensive income (net of tax)		-	-	-	(154.85)	(154.85)
Total comprehensive income		-	-	13,507.21	(154.85)	13,352.36
Transfer to/from general reserve		-	5,500.00	(6,500.00)	-	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividend (including dividend distribution tax)	48	-	-	(871.50)	-	(871.50)
On issue of equity shares	18	4,981.54	-	-	-	4,981.54
Expenses pertaining to issue of equity share		(128.51)	-	-	-	(128.51)
Total contributions by and distributions to owners		4,852.03	-	(871.50)	-	3,980.53
Total transactions with owners		4,852.03	-	(871.50)	-	3,980.53
Balance as at 31 March 2017		4,852.03	21,149.20	49,875.97	(398.42)	75,478.78
Balance as at 1 April 2017		4,852.03	21,149.20	49,875.97	(398.42)	75,478.78
Total comprehensive income for the year ended 31 March 2018		-	-	-	-	-
Profit or loss		-	-	13,569.46	-	13,569.46
Other comprehensive income (net of tax)		-	-	-	119.41	119.41
Total comprehensive income		-	-	13,569.46	119.41	13,688.87
Transfer to/from general reserve		-	6,500.00	(6,500.00)	-	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividend (including dividend distribution tax)	48	-	-	(885.54)	-	(885.54)
Total contributions by and distributions to owners		-	-	(885.54)	-	(885.54)
Total transactions with owners		-	-	(885.54)	-	(885.54)
Balance as at 31 March 2018		4,852.03	29,649.20	56,656.89	(279.01)	90,278.11

Significant accounting policies

3

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

for BSR & Co. LLP

Chartered Accountants

Firm Registration number: 201248W/W-100022

Jayanta Mukherjee

Partner

Membership No: 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of

Greenply Industries Limited

CIN: L26211AS1990PLC003484

Shiv Prakash Mittal

Executive Chairman

(DIN: 60251242)

V. Venkateshwarar

Chief Financial Officer

Place: Kolkata
 Dated: 29 May 2018

Rajesh Mittal

Managing Director

(DIN: 00240900)

Kaushal Kumar Agarwal

Company Secretary & IP-Legal



Greenvy Industries Limited
Standalone Statement of Cash Flows for the year ended 31 March 2018
 ₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flows from operating activities		
Profit before Tax	18,928.09	19,094.86
Adjustments for:		
Depreciation and amortisation expense	4,481.41	4,853.09
Finance costs	947.23	1,814.77
Loss/(gain) on fair valuation of quoted investments	4.32	0.12
Provision for doubtful debts	302.32	230.68
Loss on sale/discard of property, plant and equipment	502.63	227.13
Interest income	(187.67)	(182.50)
Commission on guarantee given	(109.44)	(52.34)
Unrealised foreign exchange fluctuations (net)	2,927.79	25.83
Government grants - EPCG scheme (refer note 22)	(62.58)	-
<u>Gain on sale of current investments</u>	-	(38.50)
	8,892.01	6,894.28
Operating cash flows before working capital changes	27,722.10	25,989.14
Working capital adjustments:		
(Increase)/decrease in trade and other receivables	(5,495.88)	1,317.38
(Increase) in inventories	(5,671.83)	(1,972.68)
<u>Increase/(decrease) in trade and other payables</u>	<u>946.49</u>	<u>(1,502.89)</u>
	(10,220.22)	(138.19)
Cash generated from operating activities	17,501.68	25,850.95
Income tax paid (net)	(4,325.42)	(4,130.71)
Net cash from operating activities	13,176.26	21,720.24
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and capital work-in-progress	(30,281.92)	(33,826.63)
Acquisition of intangible assets	(469.34)	(28.49)
Acquisition of investments	(399.47)	(6,471.37)
Loan to subsidiary	(1,169.97)	(161.11)
Proceeds from sale of property, plant and equipment	820.49	780.98
Proceeds from sale of investments	-	3,038.50
Return of loan from subsidiary	663.89	336.59
Redemption in fixed deposits with banks (having maturity of more than 3 months)	35.45	-
Commission on guarantee received	109.44	33.34
<u>Interest received</u>	<u>187.67</u>	<u>184.59</u>
Net cash used in investing activities	(30,563.76)	(36,603.60)
C. Cash flows from financing activities		
Proceeds from issue of equity share capital	-	5,000.00
Proceeds from long term borrowings	19,462.50	21,115.36
Proceeds from short term borrowings	5,008.19	2,139.97
Repayment of long term borrowings	(5,640.24)	(1,191.48)
Interest paid	(4,737.34)	(2,245.46)
Expenditure incurred on issue of equity share capital	-	(128.51)
Processing fees paid for long term borrowings	(4.50)	(2,152.99)
Dividend paid	(735.76)	(724.09)
<u>Dividend distribution tax paid</u>	<u>(149.78)</u>	<u>(147.41)</u>
Net cash flow from financing activities	13,203.87	18,665.39
Net (decrease)/increase in cash and cash equivalents	(4,124.43)	3,882.03
Cash and cash equivalents at 1 April 2017 (refer note 12)	7,689.01	3,166.98
Cash and cash equivalents at 31 March 2018 (refer note 12)	2,964.58	7,049.01

Notes:

- (i) Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- (ii) Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- (iii) Change in liabilities arising from financing activities:

Particulars	As on 31 March 2017	Cash flows	Fair value changes	As on 31 March 2018
Non-current Borrowings including current maturities (Note 19)	30,784.92	13,822.26	3,791.08	48,398.26
Current Borrowings (Note 19)	11,839.67	5,008.19	-	16,847.86

As per our report of even date attached
 For BSR & Co. LLP
 Chartered Accountants
 Firm Registration number: 103248/W-108022

Jayanta Mukherjee
 Partner
 Membership No: 053737



Place : Kolkata
 Dated : 29 May 2018

For and on behalf of Board of Directors of
 Greenvy Industries Limited
 CIN: L20231AS1999PLC003484

Shiv Prakash Mittal
 Executive Chairman
 (DIN: 00287242)

V. Venktraman
 Chief Financial Officer

Place : Kolkata
 Dated : 29 May 2018

Rajesh Mittal
 Managing Director
 (DIN : 00240900)

Kamini Kumar Agarwal
 Company Secretary & P.P.-Legal



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018

1. Reporting entity

Greenply Industries Limited (the 'Company') is a public company domiciled in India having its registered office situated at Makum Road, P.O. Tinsukia, Assam-786125, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of plywood, medium density fibre boards (MDF) and trading of wallcovers and allied products.

The Company has three overseas and one domestic wholly owned subsidiary companies namely:

- (a) Greenply Trading Pte. Limited., incorporated in Singapore, is engaged into trading of Medium Density Fibreboards and allied products. It has invested into a Joint Venture Company viz. Greenply Alkmal (Singapore) Pte. Limited., incorporated in Singapore which is engaged into trading of veneers.
- (b) Greenply Holdings Pte. Limited, Singapore.
- (c) Greenply Middle East Limited, incorporated in Dubai, is engaged into trading of veneers and operates as an investment vehicle. It has invested into a wholly owned subsidiary company - Greenply Gabon SA, Gabon, West Africa, which is engaged into manufacturing of veneers.
- (d) Greenpanel Industries Limited, incorporated in India, to carry on the sales and marketing of Medium Density Fibreboards (MDF) and allied products.

2. Basis of preparation

a. Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 29 May 2018.

The details of the Company's accounting policies are included in note 3

b. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The standalone financial statements have been prepared on historical cost basis, except for the following items:

Items	Measurement
Derivative financial instruments	Fair value
Certain financial assets and financial liabilities	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

[Handwritten signature]



[Handwritten signature]



2. Basis of preparation (continued)

d. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the note 38 - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for the every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition of deferred tax assets;
- Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 – impairment of financial assets: key assumptions used in estimating recoverable cash flows

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.



2. Basis of preparation (continued)

e. Measurement of fair values (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 41.

3. Significant accounting policies

a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.



3. Significant accounting policies (continued)

a. Current and non-current classification (continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise, except exchange differences on long term foreign currency monetary items accounted for in accordance with exemption available by the Company under Ind AS 101.

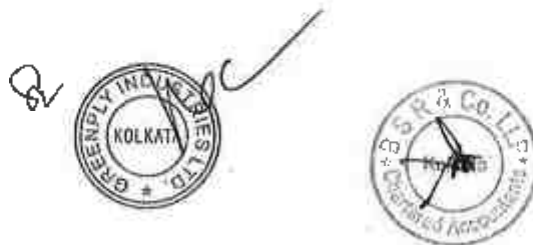
The Company has exercised the option available to it under Para 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". On transition to Ind AS, aforesaid option is not available for loans availed after 1st April 2016.

c. Financial instruments

(i) Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or
- Fair value through Profit or Loss (FVTPL); or
- Fair value through Other Comprehensive Income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) method of amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade

Financial assets at FVTPL

All financial assets which are not classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Investments in subsidiaries are carried at cost in standalone financial statements

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss. Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Financial guarantee liabilities

Financial guarantees issued by the Company are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(v) Derivative financial instruments

The Company holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

d. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss. Property, plant and equipment under construction are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and fair value less cost to sell and shown under 'Current assets'.

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3(h) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.



3. Significant accounting policies (continued)

d. Property, plant and equipment (continued)

(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method over the useful lives of assets, in the manner specified in Part C of Schedule II of the Act.

Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Freehold land is not depreciated.

Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except leasehold land acquired on perpetual lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

The estimated useful lives of items of property, plant and equipment are as follows:

<u>Asset</u>	<u>Useful life as per Schedule II</u>
Buildings	3 to 60 years
Plant and equipments	15 to 25 years
Furniture and fixtures	10 years
Vehicles	8 to 10 years
Office equipments	3 to 10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (discard/disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (discarded/disposed off).

c. Intangible assets

(i) Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



3. Significant accounting policies (continued)

c. Intangible assets (continued)

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Trademarks	5 years
- Computer software	5 years
- Technical know-how	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is ascertained on the 'weighted average' basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Excise duty was included in the valuation of closing inventory of finished goods, till the implementation of Goods and Services Tax.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.






3. Significant accounting policies (continued)

g. Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime of the ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of the ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



3. Significant accounting policies (continued)

g. Impairment (continued)

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h. Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.



3. Significant accounting policies (continued)

i. Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Employees' Provident Fund established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions under employee provident fund in Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed quarterly by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



3. Significant accounting policies (continued)

i. Employee benefits (continued)

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are in form of leave encashment that accrue to employees in return of their service. The calculation of other long term employee benefits is performed quarterly by an independent qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

j. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

k. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Goods and services tax (GST), Sales tax and Value added tax (VAT) and is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Export incentives (duty drawback) are recognised on accrual basis against goods exported.



3. Significant accounting policies (continued)

k. Revenue (continued)

(ii) Rental income

Rental income is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

(iii) Insurance claim

Insurance claim due to uncertainty in realisation are accounted for on acceptance basis.

l. Government Grants

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income".

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within other income.

m. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.



3. Significant accounting policies (continued)

m. Leases (continued)

(iii) Lease payments

Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

n. Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

o. Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



3. Significant accounting policies (continued)

o. Income tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid 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 period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



3. Significant accounting policies (continued)

p. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

r. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

s. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

t. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u. Earnings per share

Basic earnings per share is 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.



3. Significant accounting policies (continued)

v. Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The CODM consists of the Executive Chairman, Managing Director, Joint Managing Director & CEO and Chief Financial Officer.

The Company has currently two reportable segments namely:

- i) Plywood and allied products
- ii) Medium density fibreboards and allied products

w. Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL. Investments in quoted equity instruments are measured at FVTPL.

(ii) Trade and other receivables

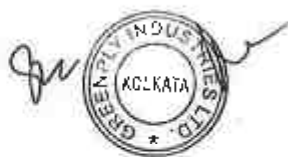
The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iii) Derivative financial liabilities

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.



3. Significant accounting policies (continued)

3A. Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the standalone financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

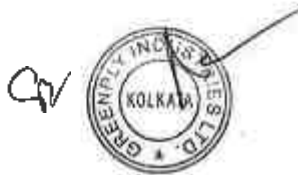
On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



4. Property, plant and equipment

See accounting policy in note 3(d) and (g)

(a) Reconciliation of carrying amount

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost (Gross carrying amount)							
Balance at 1 April 2016	4,881.97	12,591.74	50,669.77	2,212.07	3,250.21	1,504.35	75,110.11
Additions	2.41	975.88	416.64	208.21	1,139.63	154.22	2,927.03
Disposals/ discard	-	(2.54)	(170.96)	(253.95)	(1,272.70)	(84.27)	(1,784.42)
Balance at 31 March 2017	4,884.38	13,565.08	50,945.49	2,166.33	3,117.14	1,574.30	76,252.72
Balance at 1 April 2017	4,884.38	13,565.08	50,945.49	2,166.33	3,117.14	1,574.30	76,252.72
Additions	6.60	445.69	1,364.82	170.60	1,350.44	164.40	3,502.55
Disposals/ discard	(50.72)	(371.44)	(1,167.28)	(15.03)	(747.03)	(20.64)	(2,372.14)
Balance at 31 March 2018	4,840.26	13,639.33	51,143.03	2,321.90	3,720.55	1,718.06	77,383.13
Accumulated depreciation							
Balance at 1 April 2016	-	2,500.57	17,606.28	650.18	1,004.73	593.35	22,355.11
Depreciation for the year	-	465.16	3,456.11	226.43	386.21	212.26	4,746.17
Adjustments/ disposals	-	(2.41)	(77.31)	(194.72)	(444.04)	(57.83)	(776.31)
Balance at 31 March 2017	-	2,963.32	20,985.08	681.89	946.90	747.78	26,324.97
Balance at 1 April 2017	-	2,963.32	20,985.08	681.89	946.90	747.78	26,324.97
Depreciation for the year	-	424.06	3,091.17	214.84	363.27	304.21	4,397.55
Adjustments/ disposals	-	(42.84)	(864.01)	(7.17)	(116.07)	(18.97)	(1,049.06)
Balance at 31 March 2018	-	3,344.54	23,212.24	889.56	1,194.10	1,033.02	29,673.46
Carrying amounts (net)							
At 31 March 2017	4,884.38	10,601.76	29,960.41	1,484.44	2,170.24	826.52	49,927.75
At 31 March 2018	4,840.26	10,294.79	27,930.79	1,432.34	2,526.45	685.04	47,709.67

(b) Security

As at 31 March 2018, property, plant and equipment with a carrying amount of ₹ 42,586.90 lakhs (31 March 2017: ₹ 44,610.05 lakhs) are subject to charge to secured borrowings (see Note 19).



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

5. Capital work-in-progress

See accounting policy in note 3(d) and (g)

	<u>31 March 2018</u>	<u>31 March 2017</u>
At the beginning of the year	21,610.81	930.00
Additions during the year	55,461.68	21,224.22
Capitalised during the year	32.37	543.41
At the end of the year	<u>77,040.12</u>	<u>21,610.81</u>

Capital work-in-progress includes:

Expenditure incurred during construction period on new manufacturing facility of the Company:

At the beginning of the year	<u>1,662.15</u>	<u>340.50</u>
Additions during the year:		
Finance costs	4,073.47	485.89
Employees benefits expense	728.56	446.91
Legal and professional fees	674.84	241.63
Miscellaneous expenses	184.77	147.22
At the end of the year	<u>7,323.79</u>	<u>1,662.15</u>

Notes:

(a) General borrowing costs capitalised during the year amounting to ₹ 850.43 lakhs (31 March 2017: ₹ 384.83 lakhs), with a capitalisation rate of 9.37% (31 March 2017: 9.13%)

(b) As at 31 March 2018, capital work-in-progress with a carrying amount of ₹ 76,922.75 lakhs (31 March 2017: ₹ 21,583.85 lakhs) are subject to charge to secured borrowings (see Note 19).



6. Other intangible assets

See accounting policy in note 3(e) and (g)

(a) Reconciliation of carrying amount

	Goodwill	Licenses (indefinite life)	Trade marks	Computer software	Technical knowhow	Total
Cost (Gross carrying amount)						
Balance at 1 April 2016	340.00	-	22.87	659.11	45.20	1,067.18
Additions	-	-	-	28.49	-	28.49
Disposals/write-off	(340.00)	-	-	(0.11)	-	(340.11)
Balance at 31 March 2017	-	-	22.87	687.49	45.20	755.56
Balance at 1 April 2017	-	-	22.87	687.49	45.20	755.56
Additions	-	395.00	-	74.34	-	469.34
Disposals/write-off	-	-	-	(3.93)	(45.20)	(49.13)
Balance at 31 March 2018	-	395.00	22.87	757.90	-	1,175.77
Accumulated amortisation						
Balance at 1 April 2016	340.00	-	2.31	417.01	26.92	786.24
Amortisation for the year	-	-	4.58	87.27	15.07	106.92
Adjustments/ disposals	(340.00)	-	-	(0.11)	-	(340.11)
Balance at 31 March 2017	-	-	6.89	504.17	41.99	553.05
Balance at 1 April 2017	-	-	6.89	504.17	41.99	553.05
Amortisation for the year	-	-	4.58	76.07	3.21	83.86
Adjustments/ disposals	-	-	0.00	(3.89)	(45.20)	(49.09)
Balance at 31 March 2018	-	-	11.47	576.35	-	587.82
Carrying amounts (net)						
At 31 March 2017	-	-	15.98	183.32	3.21	202.51
At 31 March 2018	-	395.00	11.40	181.55	-	587.95

7. Investments

See accounting policy in note 3(c) and (g)

	31 March 2018	31 March 2017
Non-current investments		
Unquoted		
Equity instruments in subsidiaries carried at cost		
8,925,000 (31 March 2017: 8,325,000) equity shares of Greenply Trading Pte. Limited (face value USD 1 each, fully paid-up)	5,788.89	5,399.42
100 (31 March 2017: 100) equity shares of Greenply Middle East Limited, (face value AED 100,000 each, fully paid-up)	1,820.39	1,820.39
25,000 (31 March 2017: 25,000) equity shares of Greenply Holdings Pte. Limited (face value USD 1 each, fully paid-up)	16.74	16.74
1,000,000 (31 March 2017: Nil) equity shares of Greenpanel Industries Limited (face value ₹ 1 each, fully paid-up)	10.00	-
	<u>7,636.02</u>	<u>7,236.55</u>
Quoted		
Equity instruments carried at fair value through profit and loss (FVTPL)		
3,400 (31 March 2017: 3,400) equity shares of Indian Overseas Bank Limited (face value ₹ 10 each, fully paid-up)	0.59	0.91
	<u>7,636.61</u>	<u>7,237.46</u>
Aggregate book value of quoted investments	0.59	0.91
Aggregate market value of quoted investments	0.59	0.91
Aggregate book value of unquoted investments	7,636.02	7,236.55



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

8. Loans (Unsecured, considered good)	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Security deposits	1,236.30	831.95
Loan to employees	38.00	-
To a related party - wholly owned subsidiary		
Loan to Greenply Middle East Limited	1,625.13	455.16
	<u>2,899.43</u>	<u>1,287.11</u>
Current		
Loan to employees	138.47	318.08
To a related party - wholly owned subsidiary		
Loan to Greenply Trading Pte. Limited	-	663.89
	<u>138.47</u>	<u>981.97</u>
	<u>3,037.90</u>	<u>2,269.08</u>
9. Non-current tax assets		
See accounting policy in note 3(e)		
	<u>31 March 2018</u>	<u>31 March 2017</u>
Income tax refund (net of provisions)	153.49	-
10. Inventories (Valued at the lower of cost and net realisable value)		
See accounting policy in note 3(f)		
	<u>31 March 2018</u>	<u>31 March 2017</u>
Raw materials	9,484.57	5,944.39
[including in transit ₹ 1,249.97 lakhs (31 March 2017 ₹ 81.08 lakhs)]		
Work-in-progress	2,085.27	1,605.75
Finished goods	3,705.19	3,772.60
[including in transit ₹ 1,630.91 lakhs (31 March 2017 ₹ 1,653.85 lakhs)]		
Stock in trade	3,858.79	2,461.59
[including in transit ₹ 1,226.27 lakhs (31 March 2017 ₹ 16.78 lakhs)]		
Stores and spares	2,362.90	2,041.36
[including in transit ₹ 83.62 lakhs (31 March 2017 ₹ Nil)]		
	<u>21,496.72</u>	<u>15,825.69</u>

Total carrying amount of inventories is pledged as securities against borrowings, refer note 19.

The write-down of inventories to net realisable value during the year amounting to ₹ 371.32 lakhs (31 March 2017: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of stock in trade.



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

11. Trade receivables	<u>31 March 2018</u>	<u>31 March 2017</u>
Current		
Unsecured		
- Considered good	28,439.92	30,111.59
- Considered doubtful	93.72	110.77
	<u>28,533.64</u>	<u>30,222.36</u>
Less: Loss for allowances		
- Considered doubtful	93.72	110.77
Net trade receivables	<u>28,439.92</u>	<u>30,111.59</u>
 Of the above		
Trade receivables from related parties	<u>877.07</u>	<u>405.09</u>

Notes:

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 42. Provision as disclosed above is on case to case basis as identified by the management. Expected credit loss provision, as required by Ind AS 109, of ₹ 821.72 lakhs (31 March 2017: ₹ 502.33 lakhs) has been netted off with considered good amount in the above disclosure.

(c) For terms and conditions of trade receivables owing from related parties, see note 39.

(d) For receivables secured against borrowings, see note 19.

12. Cash and cash equivalents

See accounting policy in note 3(s)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Cash on hand	39.22	51.54
Cheques in hand	247.60	-
Balances with banks		
- On current accounts	2,162.40	6,431.47
- On deposit accounts (with original maturities up to 3 months)	515.36	606.00
	<u>2,964.58</u>	<u>7,089.01</u>

13. Other bank balances

	<u>31 March 2018</u>	<u>31 March 2017</u>
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*	31.34	66.59
Marked balances with banks for unpaid dividend accounts	4.02	4.22
	<u>35.36</u>	<u>70.81</u>

*Pledged/lodged with various government authorities as security



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

	<u>31 March 2018</u>	<u>31 March 2017</u>
14. Other non-current assets		
<i>(Unsecured, considered good)</i>		
Capital advances	1,100.67	12,060.04
Others		
Unmatured finance charges	210.92	110.53
Leasehold land prepayments	4,089.54	1,483.75
Deposits against demand under appeal and/or under dispute	319.15	368.16
Security deposits	26.91	26.01
	<u>5,746.29</u>	<u>14,048.49</u>
15. Other financial assets		
	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Government grants receivable	2,001.73	-
Bank deposits due to mature after 12 months of the reporting date*	17.66	-
	<u>2,019.39</u>	<u>-</u>
Current		
Government grants receivable	1,934.62	2,232.69
Export incentive receivable	11.74	23.97
	<u>1,946.36</u>	<u>2,256.66</u>
	<u>3,965.75</u>	<u>2,256.66</u>
*Pledged/lodged with various government authorities as security		
16. Other current assets		
	<u>31 March 2018</u>	<u>31 March 2017</u>
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Advances for supplies	1,010.74	807.37
Advances to employees	30.45	-
Others		
Prepaid expenses	1,152.37	468.30
Unmatured finance charges	115.41	259.32
Leasehold land prepayments	48.58	18.93
Service tax input credit receivable	-	428.81
Balance with excise authorities	32.37	606.65
Balance with goods and service tax authorities	4,311.30	-
Income tax refund	-	49.08
	<u>6,701.22</u>	<u>2,638.46</u>



17. Equity share capital

See accounting policy in note 3(q)

	31 March 2018	31 March 2017
Authorised		
160,000,000 (31 March 2017: 160,000,000) equity shares of ₹ 1 each	<u>1,600.00</u>	<u>1,600.00</u>
Issued, subscribed and fully paid-up		
122,627,395 (31 March 2017: 122,627,395) equity shares of ₹ 1 each	<u>1,226.27</u>	<u>1,226.27</u>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
At the commencement of the year	<u>122,627,395</u>	<u>1,226.27</u>	120,681,870	1,206.82
Add: Issued during the year*	-	-	1,945,525	19.45
At the end of the year	<u>122,627,395</u>	<u>1,226.27</u>	<u>122,627,395</u>	<u>1,226.27</u>

* The Company, on 12 August 2016, had issued and allotted 19,45,525 equity shares of face value of ₹ 1 each through Qualified Institutional Placement (QIP) to Qualified Institutional Buyers at the issue price of ₹ 257 per equity share, aggregating to ₹ 5,000 lakhs for setting-up of new medium density fibreboard (MDF) manufacturing unit in Chittoor, Andhra Pradesh. The Company had complied with requisite provisions of the Companies Act, 2013 and SEBI, as applicable.

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2018		31 March 2017	
	Number	%	Number	%
Equity shares of ₹ 1 each				
S.M. Management Private Limited	<u>31,626,965</u>	<u>25.79%</u>	17,717,310	14.45%
Greenply Leasing and Finance Private Limited	-	-	13,573,655	11.07%
Prime Holdings Private Limited	12,042,800	9.82%	12,042,800	9.82%
HISBC Bank (Mauritius) Limited - Jwalamukhi Investment Holdings	11,884,420	9.69%	11,884,420	9.69%
Trade Combines	11,702,380	9.54%	11,702,380	9.54%
SBI FMCG Fund	76,99,860	6.28%	11,405,052	9.30%
IIDFC Trustee Company Limited	10,260,455	8.37%	10,974,455	8.95%

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

(e) The Company for the period of five years immediately preceding the reporting date has not:

- (i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
- (ii) Allotted fully paid up shares by way of bonus shares.
- (iii) Bought back any class of shares.



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

18. Other equity	31 March 2018	31 March 2017
Securities premium reserve		
At the commencement of the year	4,852.03	-
Add: Received on issue of shares	-	4,980.54
Less: Expenses relating to issue of shares	-	128.51
	<u>4,852.03</u>	<u>4,852.03</u>
General reserve		
At the commencement of the year	23,149.20	16,649.20
Add: Transfer from Profit and Loss	6,500.00	6,500.00
	<u>29,649.20</u>	<u>23,149.20</u>
Retained earnings		
At the commencement of the year	49,872.97	43,737.26
Add: Profit for the year	13,569.46	13,507.21
Less: Transfer to general reserve	6,500.00	6,500.00
Less: Dividend on equity shares	735.76	724.09
Less: Dividend distribution tax	149.78	147.61
	<u>56,056.89</u>	<u>49,872.97</u>
Other comprehensive income (OCI)		
At the commencement of the year	(398.42)	(243.54)
Remeasurements of the net defined benefit plans	119.41	(154.88)
	<u>(279.01)</u>	<u>(398.42)</u>
	<u>90,279.11</u>	<u>77,475.78</u>

(a) Description, nature and purpose of reserve:

(i) **Security premium reserve:** Security premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

(ii) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.

(iii) **Retained earnings:** It comprises of accumulated profit/ (loss) of the Company.

(iv) **Other comprehensive income (OCI):** It comprises of remeasurements of the net defined benefit plans on actuarial valuation of gratuity.

(b) Disaggregation of changes in Items of OCI	31 March 2018	31 March 2017
Retained earnings		
Remeasurements of defined benefit liability/ (asset)	<u>(279.01)</u>	<u>(398.42)</u>



19. Borrowings

See accounting policy in note 3(b), (c) and (g)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current borrowings		
Secured		
Term loans		
From banks		
Foreign currency loans	33,387.86	19,253.22
Rupee loans	13,183.49	9,483.56
	<u>46,571.35</u>	<u>28,736.78</u>
Less: Current maturities of long term borrowings (refer note 20)	<u>1,993.51</u>	<u>4,321.97</u>
	<u>44,577.84</u>	<u>24,414.81</u>
Loan against vehicles and equipments	1,623.58	1,553.39
Less: Current maturities of loan against vehicles and equipments (refer note 20)	<u>416.95</u>	<u>429.74</u>
	<u>1,206.63</u>	<u>1,123.65</u>
	<u>45,784.47</u>	<u>25,538.46</u>
Unsecured		
Loan against vehicles and equipments	203.33	494.75
Less: Current maturities of loan against vehicles and equipments (refer note 20)	<u>77.09</u>	<u>290.66</u>
	<u>126.24</u>	<u>204.09</u>
	<u>45,910.71</u>	<u>25,742.55</u>
Current borrowings		
Secured		
From banks		
Foreign currency loan - buyers credit	5,256.54	2,605.89
Rupee loans - repayable on demand	3,570.87	3,405.70
Rupee loans - bill discounting	4,319.77	4,756.68
	<u>13,147.18</u>	<u>10,768.27</u>
Unsecured		
From banks		
Channel finance assurance facility	1,049.65	955.23
Rupee loans - bill discounting	2,651.03	116.17
	<u>3,700.68</u>	<u>1,071.40</u>
	<u>16,847.86</u>	<u>11,839.67</u>

Information about the Company's exposure to credit and currency risks, and loss allowances related to borrowings are disclosed in note 42.



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

19. Borrowings (continued)

(A) Terms of repayment

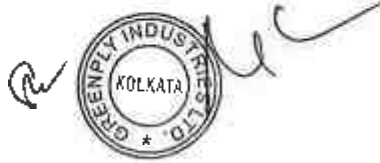
Name of the lender	Interest rate	Repayment schedule	Year of maturity	31 March 2018	31 March 2017
(i) Foreign currency term loans					
Landesbank Baden-Wurtemberg [Nil (31 March 2017: EUR 19.65 lakhs)]	6 month Euribor -1.78%	-	2017-18	-	1,361.89
Axis Bank Limited [Nil (31 March 2017: USD 13.80 lakhs)]	3 month Libor -1.60%	-	2017-18	-	897.31
Landesbank Baden-Wurtemberg [EUR 368.81 lakhs (31 March 2017: EUR 257.02 lakhs)]	6 month Euribor +0.50%	Repayable at half yearly rest: 20 of EUR 18.44 lakhs	2028-29	29,406.99	17,814.91
Standard Chartered Bank [USD 90 lakhs (31 March 2017: USD 20 lakhs)]	3 month Libor +1.55%	Repayable at quarterly rest: 20 of USD 4.50 lakhs	2024-25	5,850.45	1,360.45
				35,257.44	21,374.56
				(1,869.58)	(2,121.34)
				33,387.86	19,253.22
(ii) Rupee term loans					
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 20 of ₹ 250.00 lakhs	2024-25	5,000.00	2,000.00
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 12 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs	2023-24	3,000.00	-
HDFC Bank Limited	1 year MCLR +0.60%	Repayable at quarterly rest: 11 of ₹ 200.00 lakhs	2020-21	2,200.00	3,000.00
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 8 of ₹ 126.00 lakhs	2019-20	1,008.00	1,512.00
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 8 of ₹ 125.00 lakhs	2019-20	1,000.00	1,500.00
IDBI Bank Limited	1 year MCLR -0.45%	Repayable at quarterly rest: 8 of ₹ 125.00 lakhs	2019-20	1,000.00	1,500.00
				13,208.00	9,512.00
				(24.51)	(28.44)
				13,183.49	9,483.56
Total				46,571.35	28,736.78



19. Borrowings (continued)

(B) Details of security

- (a) Term loan from Landesbank Baden-Württemberg of ₹ 29,406.99 lakhs (31 March 2017: ₹ 17,814.91 lakhs) is secured by exclusive charge on Main Press Line of MDF plant at Chittoor, Andhra Pradesh along with any other movable fixed assets financed by Landesbank Baden-Württemberg.
- (b) Other term loans of ₹ 19,058.45 lakhs (31 March 2017: ₹ 11,709.76 lakhs) are secured by:
- First pari passu charge on immovable fixed assets of the Company at Kripasampur (West Bengal), Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).
 - First pari passu charge on all movable fixed assets of the Company except assets specifically charged to other lender(s) (including the main press line of MDF plant at Pantnagar (Uttarakhand) and main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Württemberg.
 - Second pari passu charge on all current assets of the Company.
- (c) Secured loan against vehicles and equipments are in respect of finance of vehicles, secured by hypothecation of the respective vehicles.
- (d) Working capital loans of ₹ 3,570.87 lakhs (31 March 2017: ₹ 3,405.70 lakhs) are secured by:
- First pari passu charge on all current assets of the Company.
 - Second pari passu charge on immovable fixed assets of the Company at Kripasampur (West Bengal), Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).
 - Second pari passu charge on all movable fixed assets of the Company except assets specifically charged to other lender(s) (including the main press line of MDF plant at Pantnagar (Uttarakhand) and main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Württemberg).
- (e) Foreign currency loan - buyers credit of ₹ 5,256.54 lakhs (31 March 2017: ₹ 2,605.89 lakhs) and Rupee loans - bill discounting of ₹ 4,319.77 lakhs (31 March 2017: ₹ 4,756.68 lakhs) is secured by letter of credit/letter of undertaking issued by banks.



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

20. Other financial liabilities	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Security deposits from customers	1,153.03	1,117.89
Liability for capital goods	1,667.72	-
	<u>2,820.75</u>	<u>1,117.89</u>
Current		
Current maturities of long term borrowings (refer note 19)	1,993.51	4,321.97
Current maturities of loan against vehicles and equipments (refer note 19)	494.04	720.40
Interest accrued but not due on borrowings	105.98	82.82
Liability for capital goods	6,883.35	438.87
Employee benefits payable	2,320.07	2,110.34
Unclaimed dividend	4.02	4.22
	<u>11,800.97</u>	<u>7,678.62</u>

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2018.

(b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 42.

21. Provisions

See accounting policy in note 3(i) and (j)

See accounting policy in note 3(i) and (j)	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	1,591.60	1,578.18
Liability for compensated absences	593.19	558.02
	<u>2,184.79</u>	<u>2,136.20</u>
Current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	321.57	247.27
Liability for compensated absences	148.35	230.80
	<u>469.82</u>	<u>478.07</u>



22. Other non-current liabilities	31 March 2018	31 March 2017
Deferred income on Government grants	4,991.70	-

Government grants have been received for the import of certain items of property, plant and equipment under export promotion capital goods (EPCG) scheme of Government of India. The Company has certain export obligations against such benefits availed which the Company will fulfill within the required time period under the scheme. For contingencies attached to these grants, refer note 37.

23. Trade payables	31 March 2018	31 March 2017
Dues to micro and small enterprises (Refer note 46)	12.31	3.78
Dues to other than micro and small enterprises	21,071.78	20,557.09
Dues to joint venture	17.13	81.08
	<u>21,101.22</u>	<u>20,641.95</u>

Information about the Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

24. Derivatives	31 March 2018	31 March 2017
See accounting policy in note 3(c)(v)		
Current		
Foreign exchange forward contracts	(5.24)	142.19
Foreign exchange interest rate swaps	(125.97)	27.66
(Asset)/Liability	<u>(131.21)</u>	<u>169.85</u>

Information about the Company's exposure to interest rate and currency risks related to derivatives is disclosed in note 42.

25. Other current liabilities	31 March 2018	31 March 2017
Statutory dues	2,141.02	2,466.11
Deferred income on Government grants	2,338.20	-
Advance from customers	889.18	913.01
	<u>5,368.40</u>	<u>3,379.12</u>



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

26. Revenue from operations

See accounting policy in note 3(k) and (l)

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Sale of products (including excise duty)	1,67,511.75	1,76,882.53
Other operating revenue		
Government grants		
- Refund of goods and service tax and excise duty (refer note 47)	2,688.54	620.87
- Government grants - EPCG scheme (refer note 22)	62.58	-
Export incentives	44.29	49.16
Miscellaneous income	106.39	149.00
	<u>2,901.80</u>	<u>819.03</u>
	<u>1,70,413.55</u>	<u>1,77,701.56</u>

Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas excise duty formed part of expenses in previous year. Accordingly, revenue from operations and expenses for the year ended 31 March 2018 are not comparable with the previous year presented in the standalone financial statements.

27. Other income

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Interest on fixed deposits with banks and others	93.94	94.36
Income from related party:		
- Interest on loan given to wholly owned subsidiaries	93.73	88.14
- Commission on guarantees given to wholly owned subsidiaries and joint venture	109.44	33.34
Unspent liabilities no longer required written back	80.49	182.49
Rental income from property	0.60	0.60
Gain on sale of current investments	-	18.50
	<u>378.20</u>	<u>437.43</u>

28. Cost of materials consumed

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Inventory of raw materials at the beginning of the year	5,944.39	8,292.20
Add: Purchases	67,501.42	66,601.51
Less: Inventory of raw materials at the end of the year	<u>(9,484.57)</u>	<u>(5,944.39)</u>
	<u>63,961.24</u>	<u>68,949.35</u>

29. Purchase of stock in trade

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Purchase of traded goods	<u>26,253.78</u>	<u>22,831.81</u>

30. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Opening inventories		
Work-in-progress	1,605.75	1,151.24
Finished goods	3,772.60	1,579.18
Stock in trade	<u>2,461.59</u>	<u>1,300.04</u>
	<u>7,839.94</u>	<u>4,030.46</u>
Closing inventories		
Work-in-progress	2,085.27	1,605.75
Finished goods	3,705.19	3,772.60
Stock in trade	<u>3,858.79</u>	<u>2,461.59</u>
	<u>9,649.25</u>	<u>7,839.94</u>
	<u>(1,809.31)</u>	<u>(3,809.48)</u>



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

31. Employees benefits expense

See accounting policy in note 3(i)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus, etc.	16,452.77	15,215.04
Contribution to provident and other funds	873.08	856.37
Expenses related to post-employment defined benefit plan	387.24	340.20
Expenses related to compensated absences	326.50	346.16
Staff welfare expenses	480.65	315.80
	18,520.24	17,073.57

Salaries, wages, bonus, etc. includes ₹ 2,811.68 lakhs (31 March 2017 ₹ 2,097.37 lakhs) relating to outsourced manpower cost.

Notes:

(a) **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 Standalone Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(b) **Defined benefit plan:** Retirement benefits in the form of gratuity is 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 Standalone 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.

(c) **Actuarial valuation of gratuity liability**

Defined benefit cost

Current service cost	252.91	229.02
Interest expense on defined benefit obligation	134.33	111.18
Defined benefit cost in Statement of Profit and Loss	387.24	340.20
Remeasurements from financial assumptions	4.81	142.55
Remeasurements from experience adjustments	(188.36)	7.60
Defined benefit cost in Other Comprehensive Income (OCI)	(183.55)	150.15
Total defined benefit cost in Statement of Profit and Loss and OCI	203.69	490.35

Movement in defined benefit obligation

Balance at the beginning of the year	1,825.45	1,444.35
Interest cost	134.33	111.18
Current service cost	252.91	229.02
Actuarial (gains)/ losses recognised in other comprehensive income	(183.55)	150.15
Benefits paid	(115.97)	(109.25)
Balance at the end of the year	1,913.17	1,825.45

Sensitivity analysis

Salary escalation - Increase by 1%	2,071.86	2,002.31
Salary escalation - Decrease by 1%	1,773.68	1,671.79
Withdrawal rates - Increase by 1%	1,925.42	1,829.49
Withdrawal rates - Decrease by 1%	1,898.80	1,819.98
Discount rates - Increase by 1%	1,780.27	1,682.90
Discount rates - Decrease by 1%	2,066.16	1,992.25

Actuarial assumptions

Mortality table	IALM 2006-2008	IALM 2006-2008
Discount rate (per annum)	7.60%	7.00%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	1% - 8%	1% - 8%



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

31. Employees benefits expense (continued)

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
(c) Actuarial valuation of gratuity liability (continued)		
Expected benefit payments		
Not later than 1 year	77.09	59.30
Later than 1 year and not later than 5 years	401.25	308.65
More than 5 years	346.37	266.44
Weighted average duration of defined benefit obligation (in years)	5.06	11.24

(d) Amount incurred as expense for defined contribution to Provident Fund is ₹ 696.05 lakhs (31 March 2017 ₹ 675.25 lakhs)

32. Finance costs

See accounting policy in note 3(p)

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Interest expense on financial liabilities measured at amortised cost	2,605.81	2,205.91
Exchange difference regarded as an adjustment to borrowing cost	2,230.38	-
Other borrowing cost	184.51	91.75
Less: Finance cost capitalised	<u>(4,073.47)</u>	<u>(185.89)</u>
	<u>947.23</u>	<u>1,811.77</u>

33. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Depreciation of property, plant and equipment	4,397.55	4,746.17
Amortisation of intangible assets	<u>83.86</u>	<u>106.92</u>
	<u>4,481.41</u>	<u>4,853.09</u>

34. Other expenses

	Year ended <u>31 March 2018</u>	Year ended <u>31 March 2017</u>
Consumption of stores and spares	1,678.67	1,644.80
Power and fuel	6,963.62	6,828.30
Rent	1,106.73	960.99
Repairs to:		
- buildings	193.82	153.58
- plant and equipment	1,408.80	1,239.70
- others	806.20	967.51
Insurance	378.71	345.15
Rates and taxes	479.15	551.11
Travelling expenses	2,145.46	1,674.32
Freight and delivery expenses	9,372.49	10,013.70
Advertisement and sales promotion	5,497.30	6,241.98
Directors sitting fees	27.59	29.19
Payment to auditors [refer note 34 (i) below]	46.80	25.01
Donation	38.68	38.89
Expenditure on corporate social responsibility [refer note 34 (ii) below]	340.43	317.93
Loss on sale/discard of property, plant and equipment	502.63	227.13
Amortisation of leasehold land prepayments	32.90	18.84
Loss on fair valuation of investments at FVTPL	0.32	0.12
Provision for doubtful debts	302.32	230.68
Foreign exchange fluctuations	1,404.94	365.37
Miscellaneous expenses	<u>4,412.52</u>	<u>4,067.20</u>
	<u>37,140.08</u>	<u>35,941.50</u>



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

34. Other expenses (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
34 (i) Payment to auditors		
As auditors:		
- Statutory audit	35.00	20.00
- Tax audit	-	2.00
- Limited review of quarterly results*	4.25	0.75
In other capacity		
- Certification fees*	1.67	2.26
- Other services	4.15	-
Reimbursement of expenses	1.73	-
	<u>46.80</u>	<u>25.01</u>

* Payment to auditors for the year ended 31 March 2018 includes payment made to erstwhile auditor amounting to ₹ 0.25 lakhs towards limited review of 1st quarter results and ₹ 0.87 lakhs towards certification fees.

34 (ii) Details of corporate social responsibility (CSR) expenditure

(a) Gross amount required to be spent by the Company during the year	<u>341.69</u>	<u>307.26</u>
(b) Amount spent during the year in cash on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Expenses towards Plantation activities	73.43	77.93
- Contribution to trust i.e. Greenply Foundation	267.00	240.00
	<u>340.43</u>	<u>317.93</u>
(c) Amount yet to be paid in cash	<u>1.26</u>	<u>-</u>

35. Income tax

See accounting policy in note 3(a)

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Amount recognised in Profit and Loss		
Current tax	4,106.65	4,058.81
Earlier years tax	(41.04)	123.66
Income tax	<u>4,065.61</u>	<u>4,182.47</u>
Deferred tax	(77.06)	(545.34)
Mat credit	1,362.08	1,950.52
Deferred tax	1,285.02	1,405.18
Tax expense in Statement of Profit and Loss	<u>5,350.63</u>	<u>5,587.65</u>
Deferred tax in other comprehensive income	64.14	(81.97)
Tax expense in Total Comprehensive Income	<u>5,414.77</u>	<u>5,505.68</u>
(b) Reconciliation of effective tax rate for the year		
Profit before Tax	18,920.09	19,094.86
Applicable Income Tax rate	34.608%	34.608%
Computed tax expense	6,547.86	6,608.35
Additional deduction as per income tax	(1,356.49)	(1,115.77)
Non-deductible expenses for tax purposes	136.64	179.15
Other differences	22.62	(34.08)
Tax expense in Statement of Profit and Loss	<u>5,350.63</u>	<u>5,587.65</u>
(c) Recognised deferred tax assets and liabilities:		
Property, plant and equipment and intangible assets	4,696.72	4,532.58
Provisions for employee benefits	(1,208.16)	(1,147.49)
Expenses allowed for tax purposes when paid	(220.90)	(208.30)
Provision for doubtful debts	(392.26)	(338.90)
Other temporary differences	(78.38)	(27.95)
Minimum Alternate Tax (MAT) credit	(151.83)	(1,407.59)
Deferred tax liabilities	<u>2,645.19</u>	<u>1,402.35</u>



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

35. Income tax (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
(d) Reconciliation of Deferred Tax Liability:		
Temporary difference on account of:		
Property, plant and equipment and intangible assets	164.14	(217.85)
Provisions for employee benefits	(124.81)	(185.24)
Expenses allowed for tax purposes when paid	(12.60)	(55.85)
Provision for doubtful debts	(53.36)	(78.15)
Other temporary differences	(50.43)	(8.25)
Minimum Alternate Tax (MAT) credit entitlement	1,362.08	1,950.52
Deferred tax in Statement of Profit and Loss	1,285.02	1,405.18
Temporary difference of liabilities in other comprehensive income	64.14	(81.97)
Deferred tax in Total Comprehensive Income	1,349.16	1,323.21
MAT credit utilisation in income tax for earlier years	(106.32)	-
Total Deferred tax	1,242.84	1,323.21

36. Earnings per share

Basic and diluted earnings per share		
(i) Profit for the year, attributable to the equity shareholders	13,569.46	13,507.21
(ii) Weighted average number of equity shares		
- Number of equity shares at the beginning of the year	122,627,395	120,681,870
- Number of equity shares allotted on 16 August 2016	-	1,945,525
- Number of equity shares at the end of the year	122,627,395	122,627,395
Weighted average number of equity shares	122,627,395	121,897,157
Basic and diluted earnings per share (₹) [(i)/(ii)]	11.07	11.08

37. Contingent liabilities and commitments

(to the extent not provided for)

	31 March 2018	31 March 2017
Contingent liabilities		
(a) Claims against the Company not acknowledged as debts:		
(i) Excise duty, sales tax and other indirect taxes in dispute	3,371.66	2,786.14
(ii) Consumer court cases in dispute	83.12	85.64
(b) Guarantees outstanding		
(i) Guarantee given to bank in respect of financial assistance to a joint venture company	1,950.15	1,950.68
(ii) Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary	10,521.90	1,625.56
Capital and other commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,747.54	23,716.26
(ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Export Promotion Capital Goods scheme (EPCOG)	45,596.47	29,460.54

Claim against the Company not acknowledged as debt:

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Guarantees outstanding:

The Company had issued guarantee in favour of banker on behalf of its joint venture company - Greenply Alkermul (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD.

The Company had issued counter guarantees in favour of banker on behalf of its wholly owned subsidiary company - Greenply Trading Pte. Limited and Greenply Middle East Limited, for the purpose of availing working capital loan. These guarantees were issued in USD.

*



38. Operating leases

See accounting policy in note 3(m)

(a) Future minimum lease rentals payable under non cancellable operating lease

The Company has taken certain vehicles under non-cancellable operating leases. Lease rental expense under non-cancellable operating lease during the year amounted to ₹ 195.13 lakhs (31 March 2017: ₹ 159.74 lakhs). Future minimum lease payments under non-cancellable operating lease is as below:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Not later than one year	181.77	159.29
Later than one year and not later than five years	302.00	329.67
More than five years	-	-
	<u>483.77</u>	<u>488.96</u>

(b) The Company has taken certain commercial premises and equipments under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Standalone Statement of Profit and Loss with respect to operating leases ₹ 911.60 lakhs (31 March 2017: ₹ 801.25 lakhs) has been included as rent in note 34 'Other expenses'.

39. Related party disclosure

a) Related parties where control exists

Wholly owned subsidiary companies:

- i) Greenply Trading Pte. Limited, Singapore
- ii) Greenply Holdings Pte. Limited, Singapore
- iii) Greenply Middle East Limited, Dubai
- iv) Greenply Gabon SA, Gabon (Subsidiary of Greenply Middle East Limited, Dubai)
- v) Greenpanel Industries Limited, India (w.e.f. 13.12.2017)

Company in which a subsidiary is a Joint Venture Partner:

- i) Greenply Alkema (Singapore) Pte. Limited, Singapore
(Joint venture of Greenply Trading Pte. Limited, Singapore with Alkema Singapore Pte. Limited, Singapore)

b) Other related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)

- i) Mr. Shiv Prakash Mittal, Executive Chairman
- ii) Mr. Rajesh Mittal, Managing Director
- iii) Mr. Shobhan Mittal, Joint Managing Director & CEO
- iv) Mr. Sanidhya Mittal, Executive Director (w.e.f. 07.02.2018)
- v) Mr. Susil Kumar Pal, Non-Executive Independent Director
- vi) Mr. Vinod Kumar Kuthari, Non-Executive Independent Director
- vii) Mr. Anupam Kumar Mukerji, Non-Executive Independent Director
- viii) Mr. Upendra Nath Chhali, Non-Executive Independent Director
- ix) Ms. Sonali Bhagwati Dalal, Non-Executive Independent Director
- x) Mr. Moina Yometh Konyak, Non-Executive Independent Director (died on 08.01.2018)
- xi) Mr. V. Venkatramani, Chief Financial Officer
- xii) Mr. Kaishal Kumar Agarwal, Company Secretary & Vice President - Legal

Relatives of Key Management Personnel (KMP)

- i) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal)
- ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)
- iii) Mr. Sanidhya Mittal (Son of Mr. Rajesh Mittal)

c) Enterprises controlled by Key Management Personnel or their relatives

- i) Prime Holdings Private Limited
- ii) Trade Combines (Partnership Firm)
- iii) RS Homecon Limited
- iv) Mastermind Shoppers Private Limited
- v) Greenlam Industries Limited



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

39. Related party disclosure (continued)

d) Related party transactions

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Greenply Trading Pte. Limited	Sale of products	2,895.60	1,671.52
	Purchase of products	-	44.04
	Commission on guarantee	8.90	-
	Interest income	32.26	78.03
	Investments	389.48	1,634.24
	Loan refund	648.05	336.59
	SHLC charges recovered	-	22.69
Greenply Middle East Limited	Purchase of products	1,111.20	-
	Commission on guarantees	80.07	2.34
	Guarantees given	4,836.37	650.23
	Interest income	61.47	10.11
	Investments	-	1,820.39
	Loan given	1,157.13	474.88
Greenply Holdings Pte. Limited	Investments	-	16.74
Greenply Alkermal (Singapore) Pte. Limited	Purchase of products	487.34	968.73
	Commission on guarantee	19.38	31.00
	Guarantee given	-	975.34
Greenply Gabon SA	Commission on guarantee	1.09	-
	Guarantee given	4,385.43	-
Greenpanel Industries Limited	Investments	10.00	-
Greenlam Industries Limited	Sale of products	207.62	122.05
	Purchase of products	379.36	209.86
	Rental income	0.60	0.60
Mr. Shiv Prakash Mittal	Remuneration	528.94	531.56
Mr. Rajesh Mittal	Remuneration	517.46	520.08
Mr. Shebhan Mittal	Remuneration	359.02	405.71
Mr. Sandhya Mittal	Remuneration	67.82	19.61
Mr. V. Venkatramani	Remuneration	85.39	76.23
Mr. Kuushal Kumar Agarwal	Remuneration	42.91	37.89
Mr. Anupam Kumar Mukerji	Remuneration	16.95	15.30
Mr. Susil Kumar Pal	Remuneration	16.95	16.70
Mr. Ujjendra Nath Chalu	Remuneration	16.20	14.50
Mr. Vinod Kumar Kothari	Remuneration	15.35	16.50
Ms. Sonali Bhagwati Dalal	Remuneration	11.60	12.00
Mr. Moina Yornethi Konyak	Remuneration	-	10.40
Mrs. Chitwan Mittal	Remuneration	28.23	21.22
Mrs. Surbhi Poddar	Remuneration	16.34	14.21
Prime Holdings Private Limited	Rent paid	18.72	17.83
RS Homcon Limited	Rent paid	7.46	7.06
Trade Combines	Rent paid	3.40	3.24
Mastermind Shoppers Private Limited	Rent paid	4.35	-
	Security deposit given	2.90	-

2



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

39. Related party disclosure (continued)

c) Outstanding balances

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Greenply Trading Pte. Limited	Loan given	-	663.89
	Sale of products	855.18	376.68
	Guarantee given	650.05	975.08
Greenply Middle East Limited	Loan given	1,625.13	455.16
	Purchase of products	47.07	-
	Guarantees given	5,486.42	650.05
Greenply Alkema (Singapore) Pte. Limited	Purchase of products	17.13	81.08
	Guarantee given	1,950.15	1,950.15
Greenply Gabon SA	Guarantee given	4,385.43	-
Greenlam Industries Limited	Purchase of products	10.77	27.80
	Sale of products	21.89	28.41
Mr. Shiv Prakash Mittal	Remuneration	283.80	286.42
Mr. Rajesh Mittal	Remuneration	283.80	286.42
Mr. Shobhan Mittal	Remuneration	283.80	286.42
Mr. Sanidhya Mittal	Remuneration	41.62	-
Prime Holdings Private Limited	Security deposit given	13.20	13.20
RS Homeon Limited	Security deposit given	1.50	1.50
Trade Combines	Security deposit given	2.40	2.40
Mastermind Shoppers Private Limited	Security deposit given	2.90	-

d) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Short-term employee benefits	1,539.49	1,506.65
Other long-term benefits	62.05	64.82
Total compensation paid to key management personnel	1,601.54	1,571.47

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to each key management personnel is not separately ascertainable and, therefore, not included above. Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.



39. Related party disclosure (continued)

g) Terms and conditions of transactions with related parties

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

The loan given to related parties is made in the ordinary course of business and on terms at arm's length price. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents. The interest on loan given to subsidiaries is fixed at arm length rate at 12 months USD Libor plus 500 basis points.

The guarantees given to related party is made in the ordinary course of business and on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act.

h) Details of loans, investments and guarantees covered under Section 186(4) of the Companies Act, 2013

(i) Details of loans

Loan given to Greenply Middle East Limited bears interest rate of 12 months USD Libor plus 5% p.a. and is repayable at various dates on or before 11 February 2024. The said loan has been given for business requirements. (refer note 8).

(ii) Details of investments

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

(iii) Details of guarantees

Name of the Company	Date of undertaking	Purpose	31 March 2018
Greenply Middle East Limited	17 May 2017	Short-term loan facility	650.05
Greenply Middle East Limited	19 May 2017	Long-term loan facility	2,275.18
Greenply Middle East Limited	25 October 2017	Short-term loan facility	1,911.15
Greenply Gabon SA	23 March 2018	Long-term loan facility	4,385.43

Name of the Company	Date of undertaking	Purpose	31 March 2017
Greenply Middle East Limited	25 January 2017	Short-term loan facility	650.23
Greenply Alkmal (Singapore) Pte. Limited	16 September 2016	Short-term loan facility	975.34



40. Accounting classifications and fair values

See accounting policy in note 3(c)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet are as follows:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Financial assets at amortised cost		
Non-current		
Loans	2,899.43	1,287.11
Other financial assets	2,019.39	-
Current		
Trade receivables	28,439.92	30,111.59
Cash and cash equivalents	2,964.58	7,089.01
Other bank balances	35.36	70.81
Loans	138.47	981.97
Other financial assets	1,946.36	2,256.66
	<u>38,443.51</u>	<u>41,797.15</u>
Financial assets at fair value through profit and loss		
Non-current		
Level 1		
Investments	0.59	0.91
Current		
Level 2		
Derivatives	131.21	-
	<u>131.80</u>	<u>0.91</u>
Total Financial Assets	<u>38,575.31</u>	<u>41,798.06</u>
Financial liabilities at amortised cost		
Non-current		
Borrowings	45,910.71	25,742.55
Other financial liabilities	2,820.75	1,117.89
Current		
Borrowings	16,847.86	11,839.67
Other financial liabilities	11,800.97	7,678.62
Trade payables	21,101.22	20,641.95
	<u>98,481.51</u>	<u>67,020.68</u>
Financial liabilities at fair value through profit and loss		
Current		
Level 2		
Derivatives	-	169.85
	<u>98,481.51</u>	<u>67,190.53</u>



41. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements are as follows:

	31 March 2018	31 March 2017
Financial assets - Level 1		
Investments	0.59	0.91
Financial assets - Level 2		
Derivatives	131.21	-
Financial liabilities - Level 2		
Derivatives	-	169.85

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits, borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of the quoted investments are based on market price at the respective reporting date.
- (b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves based on report obtained from banking partners.
- (c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies based on report obtained from banking partners.



42. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. Foreign currency options contract are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, credit based approval process.
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities.
Market risk Foreign exchange risk	Committed commercial transaction, Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Interest rate	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Interest rate swaps



42. Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	31 March 2018	31 March 2017
Revenue from a top customer	2.40%	2.45%
Revenue from top five customers	6.47%	5.95%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables.

Particulars	31 March 2018	31 March 2017
Balance at the beginning	502.33	267.68
Impairment loss recognised	319.39	234.65
Balance at the end	821.72	502.33



42. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	< 1 year	1 - 5 years	> 5 years	Total
31 March 2018				
Borrowings (including current maturities)*	20,879.06	29,307.84	22,333.37	72,520.27
Trade payables	21,101.22	-	-	21,101.22
Other financial liabilities	9,207.44	2,487.21	333.54	12,028.19
	51,187.72	31,795.05	22,666.91	1,05,649.68
31 March 2017				
Borrowings (including current maturities)*	17,907.41	17,370.96	14,526.18	49,804.55
Trade payables	20,641.95	-	-	20,641.95
Other financial liabilities	2,553.43	1,117.89	-	3,671.32
Derivatives	169.85	-	-	169.85
	41,272.64	18,488.85	14,526.18	74,287.67

* including estimated interest

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

42. Financial risk management (continued)

(iii) Market risk (continued)

(a) Currency risk (continued)

Exposure to currency risk

The Company's exposure to foreign currency at the end of the reporting period are as follows:

Particulars	Currency	31 March 2018		31 March 2017	
		Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
- Hedged exposures					
Borrowings - Buyers credit	EURO	-	-	1,69,657	117.60
	USD	42,44,630	2,759.22	38,26,816	2,488.29
			2,759.22		2,605.89
- Unhedged exposures					
Borrowings	EURO	3,68,80,853	29,406.99	2,76,66,559	19,176.80
	USD	90,00,000	5,850.45	33,80,000	2,197.76
			35,257.44		21,374.56
Borrowings - Buyers credit	EURO	1,10,795	88.34	-	-
	USD	37,05,833	2,408.98	-	-
			2,497.32		-
Trade payables	EURO	41,51,587	3,310.27	3,49,774	242.44
	USD	5,67,343	368.80	1,13,291	73.66
			3,679.07		316.10
Loans to subsidiaries	USD	25,00,000	1,625.13	17,21,023	1,119.05
			1,625.13		1,119.05
Trade receivables	USD	13,23,285	860.20	5,79,304	376.68

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EURO against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Nature	Effect	31 March 2018	31 March 2017
USD (1% Movement)	Profit or loss	Strengthening	(89.02)	(32.64)
		Weakening	89.02	32.64
	Equity, net of tax	Strengthening	(58.21)	(21.34)
		Weakening	58.21	21.34
EUR (1% Movement)	Profit or loss	Strengthening	(328.06)	(195.37)
		Weakening	328.06	195.37
	Equity, net of tax	Strengthening	(214.52)	(127.76)
		Weakening	214.52	127.76

2



42. Financial risk management (continued)

(iii) Market risk (continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Effect of interest rate swaps	(5,850.45)	(3,559.65)
	<u>(5,850.45)</u>	<u>(3,559.65)</u>
Variable rate instruments		
Financial assets	1,625.13	1,119.05
Financial liabilities	(66,090.55)	(43,819.14)
Effect of interest rate swaps	5,850.45	3,559.65
	<u>(58,614.97)</u>	<u>(39,140.44)</u>

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Nature	Effect	31 March 2018	31 March 2017
Variable rate instruments	Profit or loss	Strengthening	(644.65)	(427.00)
		Weakening	644.65	427.00
	Equity, net of tax	Strengthening	(421.55)	(279.22)
		Weakening	421.55	279.22
Interest rate swap	Profit or loss	Strengthening	58.50	35.60
		Weakening	(58.50)	(35.60)
	Equity, net of tax	Strengthening	38.25	23.28
		Weakening	(38.25)	(23.28)
Cash flow sensitivity (net)	Profit or loss	Strengthening	(586.15)	(391.40)
		Weakening	586.15	391.40
	Equity, net of tax	Strengthening	(383.30)	(255.94)
		Weakening	383.30	255.94



43. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

Particulars	31 March 2018	31 March 2017
Total debt (Bank and other borrowings)	65,246.12	42,624.59
Less: Cash and cash equivalents	2,964.58	7,089.01
Adjusted net debt	62,281.54	35,535.58
Equity	91,505.38	78,702.05
Debt to Equity (net)	0.68	0.45

In addition, the Company has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc, which is maintained by the Company.

44. Segments information

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

45. Taxation

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

46. Dues to Micro enterprises and small enterprises

	31 March 2018	31 March 2017
(a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year		
- Principal	12.31	3.78
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The 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 the MSMED Act, 2006.	-	-



Greenply Industries Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

47. Government grant (Ind AS 20): Other operating revenue includes incentives against scheme of budgetary support under Goods and Services Tax Regime for the units set-up in Rudrapur-MDF, Uttarakhand and Tizit, Nagaland of ₹ 1,934.61 lakhs (31 March 2017 ₹ Nil) and incentive against refund of excise duty for the unit set-up in Tizit, Nagaland till 30 June 2017 of ₹ 753.93 lakhs (31 March 2017 ₹ 620.87 lakhs).

48. Distribution made and proposed dividend (Ind AS 1)	Year ended 31 March 2018	Year ended 31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017: ₹ 0.60 per share (31 March 2016: ₹ 0.60)	735.76	724.09
Dividend distribution tax on final dividend	149.78	147.41
Total dividend paid	885.54	871.50
Proposed dividend on equity shares		
Final dividend for the year ended on 31 March 2018: ₹ 0.60 per share (31 March 2017: ₹ 0.60)	735.76	735.76
Dividend distribution tax on final dividend	151.24	149.78
Total dividend proposed	887.00	885.54

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2018.

49. The Standalone financial statements of the previous year were audited by a firm of chartered accountants other than B S R & Co. LLP.

50. Previous year's figures have been regrouped/reclassified wherever necessary in consonance to current year's classification/disclosure

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
 Firm Registration number: 101248W/W-100022

Jayanta Mukhopadhyay
Jayanta Mukhopadhyay
Partner
 Membership No: 055757



Place : Kolkata
 Dated : 29 May 2018

For and on behalf of Board of Directors of
Greenply Industries Limited
 CIN: L20211AS1990PLC003484

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

V. Venkatramani
V. Venkatramani
Chief Financial Officer

Place : Kolkata
 Dated : 29 May 2018



Rajesh Mittal
Rajesh Mittal
Managing Director
 (DIN : 00240900)

Kaushal Kumar Agarwal
Kaushal Kumar Agarwal
Company Secretary & VI-Legal

B S R & Co. LLP

Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700097

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4295

INDEPENDENT AUDITOR'S REPORT

To the Members of Greenply Industries Limited

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Greenply Industries Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



B S R & Co. is partnership firm with Registration No. BA012731 converted into B S R & Co. LLP as Limited Liability Partnership with I. P Registration No. AAG-B1811 with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Exotica
Apo o Mills Compound
N.M. Joshi Marg, Mandalekhan
Mumbai - 400 011

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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 2 of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its joint venture, the aforesaid consolidated Ind AS 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 and its joint venture as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.



Other matters

1. The comparative financial information of the Group for the year ended 31 March 2017 included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the consolidated Ind AS financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 29 May 2017 expressed an unmodified opinion.
2. We did not audit the financial statements/ financial information of 4 (four) subsidiaries – Greenply Trading Pte. Limited, Greenply Holdings Pte. Limited, Greenply Middle East Limited and Greenpanel Industries Limited and 1 (one) joint venture – Greenply Alkema (Singapore) Pte. Limited for the year ended 31 March 2018, whose financial statements/ financial information reflect total assets of Rs. 15,734.29 lakhs and net assets of Rs. (3,754.84) lakhs as at 31 March 2018, total revenues of Rs. 7,285.69 lakhs and net cash outflows amounting to Rs. 296.82 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also includes the Group's share of net loss of Rs. 760.25 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statements have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management have converted those financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and a joint venture, as noted in the 'other matter' paragraph, 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 Ind AS financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act, except that in respect of one of the director of the Holding Company, whose name appears in the list of disqualified directors as hosted by the Ministry of Corporate Affairs ('MCA') under Section 164(2). According to the information and explanation given to us, the said director has filed an appeal with the National Company Law Tribunal ('NCLT') under MCA for restoration of the status, and has also filed a writ petition with the Hon'ble High Court of Delhi at New Delhi, and has been granted stay order by Hon'ble High Court of Delhi at New Delhi till the time of disposal of the appeal by the NCLT;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture. Refer Note 37 to the consolidated Ind AS financial statements.
 - ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2018. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.



- iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022




Jayanta Mukhopadhyay
Partner
Membership no: 055757

Place: Kolkata
Date: 29 May 2018

Annexure A to the Independent Auditor's Report
(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Greenply Industries Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India as of that day.

Management's Responsibility for Internal Financial Controls with reference to financial statements

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary company incorporated in India, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that whether 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 Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company incorporated in India, internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to its subsidiary company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company, incorporated in India.

Place: Kolkata
Date: 29 May 2018

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022



Jayanta Mukhopadhyay
Partner
Membership no: 055757

Greenply Industries Limited
Consolidated Balance Sheet as at 31 March 2018
₹ In Lakhs

	Note	31 March 2018	31 March 2017
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	57,453.82	52,383.00
(b) Capital work-in-progress	5	77,040.12	26,869.37
(c) Other intangible assets	6	593.17	208.78
(d) Financial assets			
(i) Investments	7	1,945.06	2,611.51
(ii) Loans	8	1,446.31	1,053.65
(iii) Other financial assets	15	2,019.39	-
(e) Non-current tax assets (net)	9	153.49	-
(f) Other non-current assets	14	5,746.29	14,567.69
Total non-current assets		1,46,296.64	97,694.10
(2) Current assets			
(a) Inventories	10	23,120.90	15,846.27
(b) Financial assets			
(i) Trade receivables	11	28,560.14	29,834.78
(ii) Cash and cash equivalents	12	3,317.41	7,738.65
(iii) Other bank balances	13	35.36	70.81
(iv) Loans	8	138.47	333.37
(v) Derivatives	24	131.21	-
(vi) Other financial assets	15	1,946.36	2,255.66
(c) Other current assets	16	7,567.35	3,679.00
Total current assets		64,817.20	59,759.57
Total assets		2,11,113.84	1,57,453.67
Equity and liabilities			
Equity			
(a) Equity share capital	17	1,236.27	1,236.27
(b) Other equity	18	86,524.27	76,039.88
Total equity		87,760.54	77,266.15
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	48,479.15	26,584.90
(ii) Other financial liabilities	20	3,489.09	2,880.63
(b) Provisions	21	2,184.79	2,136.20
(c) Deferred tax liabilities (net)	35	2,645.19	1,402.35
(d) Other non-current liabilities	22	4,991.70	-
Total non-current liabilities		61,789.92	33,004.28
(2) Current liabilities			
(A) Financial liabilities			
(i) Borrowings	19	19,753.32	12,768.04
(ii) Trade payables	23	21,896.63	20,760.33
(iii) Derivatives	24	-	168.85
(iv) Other financial liabilities	20	13,980.13	9,616.82
(b) Other current liabilities	25	5,473.58	3,290.11
(c) Provisions	21	469.82	478.07
Total current liabilities		61,573.38	47,183.24
Total liabilities		1,23,363.30	80,187.52
Total equity and liabilities		2,11,113.84	1,57,453.67
Significant accounting policies			
The accompanying notes form an integral part of the consolidated financial statements.			

As per our report of even date attached
For BSR & Co. LLP
Chartered Accountants
Firm Registration number: LO1248W/W-100022

Jayanta Mukherjee
Partner
Membership No: 053757



Place : Kolkata
Dated : 29 May 2018

For and on behalf of Board of Directors of
Greenply Industries Limited
CIN: L20211AS1960PL003484

Shiv Prakash Mittal
Executive Chairman
(DIN: 00287241)

Y. Venkateshramani
Chief Financial Officer

Place : Kolkata
Dated : 29 May 2018

Rajesh Mittal
Managing Director
(DIN: 00240900)

Krunal Kumar Agarwal
Company Secretary & PP-Legal



Greenply Industries Limited
 Consolidated Statement of Profit and Loss for the year ended 31 March 2018
 ₹ in Lakhs

	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	26	1,73,697.56	1,74,189.32
II. Other income	27	216.17	377.59
III. Total income (I+II)		1,73,913.73	1,74,566.91
IV. Expenses			
Cost of materials consumed	28	63,953.52	68,949.35
Purchase of stock in trade	29	27,469.73	23,181.60
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(1,879.15)	(3,789.13)
Excise duty		2,376.99	11,392.52
Employees benefits expense	31	19,669.35	17,720.85
Finance costs	32	1,138.63	1,891.94
Depreciation and amortisation expense	33	4,981.11	5,066.28
Other expenses	34	39,833.96	36,245.40
Total expenses (IV)		1,56,740.14	1,60,658.81
V. Share of profit/(loss) of a joint venture		(769.25)	223.92
VI. Profit before tax (III-IV+V)		16,413.34	18,132.02
Current tax		(4,405.61)	(4,182.47)
Deferred tax		(1,205.03)	(1,405.18)
VII. Tax expense	35	(5,310.63)	(5,587.65)
VIII. Profit for the year (VI-VII)		11,062.71	12,544.37
IX. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability/(asset)		183.55	(236.85)
Income tax relating to items that will not be reclassified to profit or loss		(64.14)	81.97
Net other comprehensive income not to be reclassified subsequently to profit or loss		119.41	(154.88)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating financial statements of foreign operations		187.81	(553.69)
Net other comprehensive income to be reclassified subsequently to profit or loss		187.81	(553.69)
Other comprehensive income for the year (net of tax)		307.22	(708.37)
X. Total comprehensive income for the year (VIII+IX)		11,369.93	11,835.80
XI. Earnings per equity share	36		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic (₹)		9.02	10.29
- Diluted (₹)		9.01	10.29
Significant accounting policies	3		
This accompanying note forms an integral part of the consolidated financial statements			

As per our report of even date attached
 For D S R & Co. LLP
 Chartered Accountants
 Firm Registration number: UG1248W/W-100022

Jayanta Mukherjee
 Partner
 Membership No: 853757



Place : Kolkata
 Dated : 29 May 2018

For and on behalf of Board of Directors of
 Greenply Industries Limited
 CIN: L2021LA51990PLC003484

Shri Prakash Mittal
 Executive Chairman
 (DIN : 00275142)

V. Venkatesan
 Chief Executive Officer

Place : Kolkata
 Dated : 29 May 2018

Rajesh Mittal
 Managing Director
 (DIN : 00240907)

Kunal Kumar Agarwal
 Company Secretary & VP-Legal



Greenply Industries Limited
 Consolidated Statement of changes in equity for the year ended 31 March 2018
 ₹ in Lakhs

a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2016		1,236.82
Issue of equity share capital during the year	17	19.45
Balance as at 31 March 2017		1,256.27
Changes in equity share capital during the year	17	-
Balance as at 31 March 2018		1,256.27

b) Other equity

Particulars	Note	Reserves and surplus			Items of OCI		Total
		Securities premium	General reserve	Retained earnings	Exchange differences on translation	Remeasurements of defined benefit liability	
Balance as at 1 April 2016		-	15,962.24	43,369.28	135.56	(243.54)	61,223.55
Total comprehensive income for the year ended 31 March 2017		-	-	12,544.37	-	-	12,544.37
Profit or loss		-	-	12,544.37	-	-	12,544.37
Other comprehensive income (net of tax)		-	-	-	(553.69)	(154.88)	(708.57)
Total comprehensive income		-	-	12,544.37	(553.69)	(154.88)	11,835.80
Transfer to/(from) general reserve		-	6,500.00	(6,500.00)	-	-	-
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividend (including dividend distribution tax)	4K	-	-	(871.50)	-	-	(871.50)
On issue of equity share	1B	4,980.54	-	-	-	-	4,980.54
Reserve pertaining to issue of equity share		(128.51)	-	-	-	-	(128.51)
Total contributions by and distributions to owners		4,852.03	-	(871.50)	-	-	3,980.53
Total transactions with owners		4,852.03	-	(871.50)	-	-	3,980.53
Balance as at 31 March 2017		4,852.03	23,462.24	48,542.16	(418.13)	(398.42)	75,039.88
Balance as at 1 April 2017		4,852.03	23,462.24	48,542.16	418.13	(398.42)	76,039.88
Total comprehensive income for the year ended 31 March 2018		-	-	11,062.71	-	-	11,062.71
Profit or loss		-	-	11,062.71	-	-	11,062.71
Other comprehensive income (net of tax)		-	-	-	187.81	119.41	307.22
Total comprehensive income		-	-	11,062.71	187.81	119.41	11,369.93
Transfer to/(from) general reserve		-	6,500.00	(6,500.00)	-	-	-
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividend (including dividend distribution tax)	4L	-	-	(885.54)	-	-	(885.54)
Total contributions by and distributions to owners		-	-	(885.54)	-	-	(885.54)
Total transactions with owners		-	-	(885.54)	-	-	(885.54)
Balance as at 31 March 2018		4,852.03	29,962.24	52,219.33	(230.32)	(279.01)	86,524.27

Significant accounting policies 1
 The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached.
 PwC B & Co. LLP
 Chartered Accountants
 Firm Registration number: 1012487W-100023

Jyotsna Mulgundkary
 Partner
 Membership No: 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of
 Greenply Industries Limited
 CIN: L32011AS1500PLC003481

Shiv Prakash Mittal
 Executive Chairman
 (DIN: 00237342)

V. Venkateswaral
 Chief Financial Officer

Place: Kolkata
 Dated: 29 May 2018

Rajesh Mittal
 Managing Director
 (DIN: 00240500)

Kaushal Kumar Agarwal
 Company Secretary (IP) Legal



Greenply Industries Limited
Cumulative Statement of Cash Flows for the year ended 31 March 2018
₹ in Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flows from operating activities		
Profit before Tax	16,413.34	18,132.02
Adjustments for:		
Depreciation and amortisation expense	4,981.11	5,086.28
Finance costs	1,135.63	1,891.94
Loss/(gain) on fair valuation of quoted investments	0.32	0.12
Provision for doubtful debts	302.32	230.68
Loss on sale/disposal of property, plant and equipment	616.50	227.13
Interest income	(93.96)	(125.01)
Commission on guarantees given	(19.38)	(30.99)
Unrealised foreign exchange fluctuations (net)	2,877.52	53.33
Government grants - EPCG scheme (refer note 22)	(62.58)	-
Share of (profit)/loss from a joint venture	760.25	(221.92)
Gain on sale of current investments	-	(38.50)
	10,497.73	7,051.06
Operating cash flows before working capital changes	16,911.87	25,183.08
Working capital adjustments:		
(Increase)/decrease in trade and other receivables	(5,652.49)	3,353.59
(Increase) in inventories	(7,274.63)	(1,952.33)
Increase/(decrease) in trade and other payables	1,680.42	(1,252.17)
	(11,246.69)	189.09
Cash generated from operating activities	15,665.18	25,372.17
Income tax paid (net)	(4,325.42)	(4,130.71)
Net cash from operating activities	11,339.76	21,241.46
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and capital work-in-progress	(33,528.34)	(37,729.88)
Acquisition of intangible assets	(470.45)	(35.68)
Acquisition of investments	-	(1,000.00)
Proceeds from sale of property, plant and equipment	1,049.19	780.88
Proceeds from sale of investments	-	3,038.50
Refund of loan from joint venture company	-	496.86
Redemption in fixed deposits with banks (having maturity of more than 3 months)	35.45	-
Commission on guarantees	19.38	30.99
Interest received	93.96	137.10
Net cash used in investing activities	(32,800.41)	(36,281.13)
C. Cash flows from financing activities		
Proceeds from issue of equity share capital	-	5,000.00
Proceeds from long term borrowings	20,841.52	21,115.26
Proceeds from short term borrowings	6,289.28	2,180.31
Payment of finance lease obligations	(116.16)	371.55
Repayment of long term borrowings	(4,854.40)	(4,191.48)
Interest paid	(4,925.74)	(2,325.62)
Expenditure incurred on issue of equity share capital	-	(128.51)
Processing fees paid for long term borrowings	(4.50)	(3,152.00)
Dividend paid	(735.76)	(724.09)
Dividend distribution tax paid	(149.78)	(147.41)
Net cash flow from financing activities	16,444.26	18,957.11
Net increase / (decrease) in cash and cash equivalents	(5,017.19)	3,977.44
Cash and cash equivalents at 1 April 2017 (refer note 12)	7,314.38	3,443.13
Effect of exchange rate fluctuations on cash held	(0.06)	(6.22)
Cash and cash equivalents at 31 March 2018 (refer note 12)	2,297.18	7,314.35

Notes:

- Cumulative Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
- Change in liabilities arising from financing activities:

Particulars	As on 31 March 2017	Cash flows	Fair value changes	As on 31 March 2018
Non-current borrowings including current maturities (Note 19)	31,802.54	15,870.76	3,791.08	51,464.38
Current Borrowings (Note 19)	12,768.04	8,985.28	-	19,753.32

As per our report of even date attached
 For B S R & Co. LLP
 Chartered Accountants
 Firm Registration number: 101298W/W-100022

Jayanta Mukherjee
 Partner
 Membership No. 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of
Greenply Industries Limited
 CIN: L2021AS19999PL003484

Ravi Prakash Mittal
 Ex. Curve (Director)
 DIN: 00219242

V. Venkatesan
 Chief Financial Officer

Place: Kolkata
 Dated: 29 May 2018

Rajesh Mittal
 Managing Director
 (DIN: 00240900)

Kaushal Kumar Agarwal
 Company Secretary & FV Legal



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018

1. Reporting entity

Greenply Industries Limited ('the Holding Company' or the 'Company') is a public company domiciled in India having its registered office situated at Makum Road, P.O. Tiasukia, Assam-786125, India. The Holding Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Holding Company is primarily involved in manufacturing of plywood, medium density fibre boards (MDF) and trading of wallcovers and allied products.

The Holding Company has three overseas and one domestic wholly owned subsidiary companies namely:

- (a) Greenply Trading Pte. Limited., incorporated in Singapore, is engaged into trading of Medium Density Fibreboards and allied products. It has invested into a Joint Venture Company viz. Greenply Alkema (Singapore) Pte. Limited., incorporated in Singapore which is engaged into trading of veneers.
- (b) Greenply Holdings Pte. Limited, Singapore.
- (c) Greenply Middle East Limited, incorporated in Dubai, is engaged into trading of veneers and operates an investment vehicle. It has invested into a wholly owned subsidiary company - Greenply Gabon SA, Gabon, West Africa, which is engaged into manufacturing of veneers.
- (d) Greenpanel Industries Limited, incorporated in India, to carry on the sales and marketing of Medium Density Fibreboards (MDF) and allied products, collectively referred to as "the Group".

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The consolidated financial statements are authorised for issue by the Board of Directors of the Holding Company at their meeting held on 29 May 2018.

The details of the Company's accounting policies are included in note 3

b. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for the following items:

Items	Measurement
Derivative financial instruments	Fair value
Certain financial assets and financial liabilities	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

82




2. Basis of preparation (continued)

d. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in note 38 - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included in the following notes:

- Note 4 -- useful life and residual value of property, plant and equipment;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition of deferred tax assets;
- Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 – impairment of financial assets: key assumptions used in estimating recoverable cash flows

e. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Holding Company's audit committee.



2. Basis of preparation (continued)

e. Measurement of fair values (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 41.

f. Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements"(Ind AS - 110), specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		Current year	Previous
Greenply Trading Pte. Limited	Singapore	100%	100%
Greenply Holdings Pte. Limited	Singapore	100%	100%
Greenply Middle East Limited	Dubai	100%	
Greenpanel Industries Limited	India	100%	

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit or loss.



2. Basis of preparation (continued)

1. Basis of consolidation (continued)

(iii) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e 31 March 2018.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiaries are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



3. Significant accounting policies (continued)

a. Current and non-current classification (continued)

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise, except exchange differences on long term foreign currency monetary items accounted for in accordance with exemption availed by the Company under Ind AS 101.

The Group has exercised the option available to it under Para 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". On transition to Ind AS, aforesaid option is not available for loans availed after 1st April 2016.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) like fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at an average rate.

The Group has elected not to apply Ind AS 103-Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2015. Consequently, the Group has kept the same classification for the past business combinations as in its previous GAAP financial statements.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to Non-controlling Interest (NCI).



3. Significant accounting policies (continued)

c. Financial instruments

(i) Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or
- Fair value through Profit or Loss (FVTPL); or
- Fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) method of amortisation is included in finance income in the Consolidated Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.



3. Significant accounting policies (continued)

e. Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at FVTPL

All financial assets which are not classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Consolidated Statement of Profit and Loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Consolidated Statement of Profit and Loss.

Investments in subsidiaries are carried at cost in standalone financial statements



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss. Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Financial guarantee liabilities

Financial guarantees issued by the Group are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.



3. Significant accounting policies (continued)

c. Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



3. Significant accounting policies (continued)

d. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss. Property, plant and equipment under construction are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and fair value less cost to sell and shown under 'Current assets'.

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3(b) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.



3. Significant accounting policies (continued)

d. Property, plant and equipment (continued)

(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method over the useful lives of assets, in the manner specified in Part C of Schedule II of the Act.

Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Freehold land is not depreciated.

Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except leasehold land acquired on perpetual lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

The estimated useful lives of items of property, plant and equipment are as follows:

<u>Asset</u>	<u>Useful life as per Schedule II</u>
Buildings	3 to 60 years
Plant and equipments	15 to 25 years
Furniture and fixtures	10 years
Vehicles	8 to 10 years
Office equipments	3 to 10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (discard/disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (discarded/disposed off).

e. Intangible assets

(i) Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



3. Significant accounting policies (continued)

e. Intangible assets (continued)

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss.

The estimated useful lives are as follows:

- Trademarks	5 years
- Computer software	5 years
- Technical know-how	3 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is ascertained on the 'weighted average' basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Excise duty was included in the valuation of closing inventory of finished goods, till the implementation of Goods and Services Tax.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.



3. Significant accounting policies (continued)

g. Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime of the ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of the ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.



3. Significant accounting policies (continued)

g. Impairment (continued)

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.



3. Significant accounting policies (continued)

h. Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

i. Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Employees' Provident Fund established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions under employee provident fund to Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.



3. Significant accounting policies (continued)

i. Employee benefits (continued)

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed quarterly by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Consolidated Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are in form of leave encashment that accrue to employees in return of their service. The calculation of other long term employee benefits is performed quarterly by an independent qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.



3. Significant accounting policies (continued)

j. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

k. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Goods and services tax (GST), Sales tax and Value added tax (VAT) and is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Export incentives (duty drawback) are recognised on accrual basis against goods exported.

(ii) Rental income

Rental income is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

(iii) Insurance claim

Insurance claim due to uncertainty in realisation are accounted for on acceptance basis.



3. Significant accounting policies (continued)

l. Government Grants

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Consolidated Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income".

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within other income.

m. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



3. Significant accounting policies (continued)

n. Recognition of dividend income, interest income or expense

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

o. Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.



3. Significant accounting policies (continued)

a. Income tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.



3. Significant accounting policies (continued)

p. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

r. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

s. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

t. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

u. Earnings per share

Basic earnings per share is 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.



3. Significant accounting policies (continued)

v. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The CODM consists of the Executive Chairman, Managing Director, Joint Managing Director & CEO and Chief Financial Officer.

The Group has currently two reportable segments namely:

- i) Plywood and allied products, and
- ii) Medium density fibreboards and allied products

w. Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL. Investments in quoted equity instruments are measured at FVTPL.

(ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iii) Derivative financial liabilities

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.



3. Significant accounting policies (continued)

x. Equity accounted investees

The Group's interest in equity accounted investee comprises interest in joint venture.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases.

3A. Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



4. Property, plant and equipment

See accounting policy in note 3(d) and (g)

(a) Reconciliation of carrying amount

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost (Gross carrying amount)							
Balance at 1 April 2016	4,881.97	12,591.74	50,669.77	2,353.30	4,344.33	1,511.04	76,352.15
Additions	2.41	975.88	622.19	222.61	2,495.21	163.87	4,482.17
Disposals/ discard	-	(2.54)	(170.96)	(253.95)	(1,272.70)	(84.27)	(1,784.42)
Exchange differences on translation of foreign operations	-	-	(5.18)	(3.04)	(60.25)	(0.41)	(68.88)
Balance at 31 March 2017	4,884.38	13,565.08	51,115.82	2,318.92	5,506.59	1,590.23	78,981.02
Balance at 1 April 2017	4,884.38	13,565.08	51,115.82	2,318.92	5,506.59	1,590.23	78,981.02
Additions	4,810.87	1,633.47	2,579.81	320.21	1,761.24	192.18	11,297.78
Disposals/ discard	(50.72)	(371.44)	(1,167.28)	(87.12)	(1,132.03)	(20.64)	(2,829.23)
Exchange differences on translation of foreign operations	208.29	51.50	75.64	2.55	7.72	0.36	346.06
Balance at 31 March 2018	9,852.82	14,878.61	52,603.99	2,554.56	6,143.52	1,762.13	87,795.63
Accumulated depreciation							
Balance at 1 April 2016	-	2,500.57	17,606.28	666.30	1,056.16	593.93	22,423.24
Depreciation for the year	-	465.16	3,460.18	256.36	562.24	214.69	4,958.63
Adjustments/ disposals	-	(2.41)	(77.31)	(194.72)	(444.04)	(57.83)	(776.31)
Exchange differences on translation of foreign operations	-	-	(0.12)	(1.18)	(6.15)	(0.09)	(7.54)
Balance at 31 March 2017	-	2,963.32	20,989.03	726.76	1,168.21	750.70	26,598.02
Balance at 1 April 2017	-	2,963.32	20,989.03	726.76	1,168.21	750.70	26,598.02
Depreciation for the year	-	479.70	3,263.87	251.54	590.15	309.33	4,894.59
Adjustments/ disposals	-	(42.84)	(864.00)	(38.91)	(198.88)	(18.95)	(1,163.58)
Exchange differences on translation of foreign operations	-	2.41	8.03	0.16	2.13	0.05	12.78
Balance at 31 March 2018	-	3,402.59	23,396.93	939.55	1,561.61	1,041.13	30,341.81
Carrying amounts (net)							
At 31 March 2017	4,884.38	10,601.76	30,126.79	1,592.16	4,338.38	839.53	52,383.00
At 31 March 2018	9,852.82	11,476.02	29,207.06	1,615.01	4,581.91	721.00	57,453.82

(b) Vehicles held under finance leases

The Group has acquired vehicles under finance lease agreements. The leased vehicles secure related lease obligations (see note 19). The gross and net carrying amounts of vehicles acquired under finance leases and included in above are as follows:

	31 March 2018	31 March 2017
Cost	1,650.97	1,713.79
Accumulated depreciation	265.63	201.05
Net carrying amount	1,385.34	1,512.74

(c) Security

As at 31 March 2018, property, plant and equipment with a carrying amount of ₹ 42,586.90 lakhs (31 March 2017: ₹ 44,610.03 lakhs) are subject to charge to secured borrowings (see Note 19).



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ In Lakhs

5. Capital work-in-progress

See accounting policy in note 3(d) and (g)

	<u>31 March 2018</u>	<u>31 March 2017</u>
At the beginning of the year	26,869.37	930.00
Additions during the year	55,461.68	26,642.71
Capitalised during the year	5,248.67	543.41
Exchange differences on translation of foreign operations	(42.26)	(159.93)
At the end of the year	<u>77,040.12</u>	<u>26,860.37</u>

Capital work-in-progress includes:

Expenditure incurred during construction period on new manufacturing facility of the Group, given below:

	<u>31 March 2018</u>	<u>31 March 2017</u>
At the beginning of the year	1,662.15	340.50
Additions during the year:		
Finance costs	4,073.47	485.89
Employees benefits expense	728.56	446.91
Legal and professional fees	674.84	241.63
Miscellaneous expenses	184.77	147.22
	<u>5,661.64</u>	<u>1,321.65</u>
At the end of the year	<u>7,323.79</u>	<u>1,662.15</u>

Notes:

(a) General borrowing costs capitalised during the year amounting to ₹ 850.43 lakhs (31 March 2017: ₹ 384.83 lakhs), with a capitalisation rate of 9.37% (31 March 2017: 9.13%)

(b) As at 31 March 2018, capital work-in-progress with a carrying amount of ₹ 76,922.75 lakhs (31 March 2017: ₹ 21,583.85 lakhs) are subject to charge to secured borrowings (see Note 19).



6. Other intangible assets

See accounting policy in note 3(e) and (g)

(a) Reconciliation of carrying amount

	Goodwill	Licenses (indefinite life)	Trade marks	Computer software	Technical knowhow	Total
Cost (Gross carrying amount)						
Balance at 1 April 2016	340.00	-	22.87	659.11	45.20	1,067.18
Additions	-	-	-	35.68	-	35.68
Disposals/write-off	(340.00)	-	-	(0.11)	-	(340.11)
Exchange differences on translation of foreign operations	-	-	-	(0.21)	-	(0.21)
Balance at 31 March 2017	-	-	22.87	694.47	45.20	762.54
Balance at 1 April 2017	-	-	22.87	694.47	45.20	762.54
Additions	-	395.00	-	75.05	-	470.05
Disposals/write-off	-	-	-	(3.93)	(45.20)	(49.13)
Exchange differences on translation of foreign operations	-	-	-	1.11	-	1.11
Balance at 31 March 2018	-	395.00	22.87	766.70	-	1,184.57
Accumulated amortisation						
Balance at 1 April 2016	340.00	-	2.31	417.01	26.92	786.24
Amortisation for the year	-	-	4.58	88.00	15.07	107.65
Adjustments/ disposals	(340.00)	-	-	(0.11)	-	(340.11)
Exchange differences on translation of foreign operations	-	-	-	(0.02)	-	(0.02)
Balance at 31 March 2017	-	-	6.89	504.88	41.99	553.76
Balance at 1 April 2017	-	-	6.89	504.88	41.99	553.76
Amortisation for the year	-	-	4.58	78.73	3.21	86.52
Adjustments/ disposals	-	-	0.00	(3.89)	(45.20)	(49.09)
Exchange differences on translation of foreign operations	-	-	-	0.21	-	0.21
Balance at 31 March 2018	-	-	11.47	579.93	-	591.40
Carrying amounts (net)						
At 31 March 2017	-	-	15.98	189.59	3.21	208.78
At 31 March 2018	-	395.00	11.40	186.77	-	593.17



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

7. Investments

See accounting policy in note 3(c), (g) and (x)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current investments		
Unquoted		
Equity instruments in joint venture carried at cost		
3,750,000 (31 March 2017: 3,750,000) equity shares of Greenply Alkemaal (Singapore) Pte. Limited, (face value USD 1 each, fully paid-up)	1,844.46	2,610.70
Quoted		
Equity instruments carried at fair value through profit and loss (FVTPL)		
3,400 (31 March 2017: 3,400) equity shares of Indian Overseas Bank Limited, (face value ₹ 10 each, fully paid-up)	0.59	0.91
	<u>1,845.05</u>	<u>2,611.61</u>
Aggregate book value of quoted investments	0.59	0.91
Aggregate market value of quoted investments	0.59	0.91
Aggregate book value of unquoted investments	1,844.46	2,610.70
Equity accounted investees		
Interest in a joint venture	<u>1,844.46</u>	<u>2,610.70</u>

Joint Venture

Greenply Alkemaal (Singapore) Pte. Limited is a joint arrangement in which the Group has joint control and 50% ownership interest. It is one of the Group's strategic supplier and is principally engaged in the business of trading and marketing of commercial veneers and panel products. Greenply Alkemaal (Singapore) Pte. Limited, is not publicly listed.

Greenply Alkemaal (Singapore) Pte. Limited is structured as a separate legal entity and the Group has an interest in the net assets of Greenply Alkemaal (Singapore) Pte. Limited. Accordingly, the Group has classified its interest in Greenply Alkemaal (Singapore) Pte. Limited as a joint venture.

The following table summarise the financial information of Greenply Alkemaal (Singapore) Pte. Limited and the carrying amount of the Group's interest in Greenply Alkemaal (Singapore) Pte. Limited.

	<u>31 March 2018</u>	<u>31 March 2017</u>
Percentage ownership interest	50%	50%
Non-current assets	2,553.69	4,126.74
Current assets (including cash and cash equivalents – 31 March 2018: ₹ 99.33 lakhs, 31 March 2017: ₹ 160.40 lakhs)	2,868.26	5,283.92
	<u>5,421.95</u>	<u>9,410.67</u>
Non-current liabilities (non-current financial liabilities other than trade payables and other financial liabilities and provisions – 31 March 2018: Nil, 31 March 2017: Nil)	-	-
Current liabilities (current financial liabilities other than trade payables and other financial liabilities and provisions - 31 March 2018: ₹ 1,485.22 lakhs, 31 March 2017: ₹ 1,866.82 lakhs)	(1,733.03)	(4,189.26)
	<u>(1,733.03)</u>	<u>(4,189.26)</u>
Net assets	3,688.92	5,221.41
Group's share of net assets	1,844.46	2,610.71
Carrying amount of interest in joint venture	<u>1,844.46</u>	<u>2,610.71</u>



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

7. Investments (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
Percentage ownership interest	50%	50%
Revenue	6,975.09	8,959.23
Depreciation and amortisation	(171.89)	(189.17)
Interest expense	(89.18)	(174.27)
Income tax expense	(9.53)	(27.34)
Profit/(Loss)	(1,520.49)	447.84
Other comprehensive income/(loss)	-	(969.40)
Total comprehensive income/(loss)	(1,520.49)	(521.56)
Group's share of Profit/(loss)	(760.25)	223.92
Group's share of other comprehensive income/(loss)	-	(484.70)
Group's share of total comprehensive income/(loss)	(760.25)	(260.78)

In years ended 31 March 2018 and 31 March 2017, the Group did not receive dividends from the joint venture.

8. Loans

(Unsecured, considered good)

	31 March 2018	31 March 2017
Non-current		
Security deposits	1,407.31	1,053.65
Loan to employees	38.00	-
	<u>1,445.31</u>	<u>1,053.65</u>
Current		
Loan to employees	138.47	333.37
	<u>1,583.78</u>	<u>1,387.02</u>

9. Non-current tax assets

See accounting policy in note 3(a)

	31 March 2018	31 March 2017
Income tax refund (net of provisions)	153.49	-

10. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

	31 March 2018	31 March 2017
Raw materials [including in transit ₹ 1,249.97 lakhs (31 March 2017 ₹ 81.08 lakhs)]	11,017.64	5,944.39
Work-in-progress	2,085.27	1,605.75
Finished goods [including in transit ₹ 1,630.91 lakhs (31 March 2017 ₹ 1,653.85 lakhs)]	3,796.30	3,793.18
Stock in trade [including in transit ₹ 1,226.27 lakhs (31 March 2017 ₹ 16.78 lakhs)]	3,858.79	2,461.59
Stores and spares [including in transit ₹ 83.62 lakhs (31 March 2017 ₹ Nil)]	2,362.90	2,041.36
	<u>23,120.90</u>	<u>15,846.27</u>

Total carrying amount of inventories is pledged as securities against borrowings, refer note 19.

The write-down of inventories to net realisable value during the year amounting to ₹ 371.32 lakhs (31 March 2017: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of stock in trade.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

11. Trade receivables	<u>31 March 2018</u>	<u>31 March 2017</u>
Current		
Unsecured		
- Considered good	28,560.14	29,834.78
- Considered doubtful	93.72	110.77
	<u>28,653.86</u>	<u>29,945.55</u>
Less: Loss for allowances		
- Considered doubtful	93.72	110.77
Net trade receivables	<u>28,560.14</u>	<u>29,834.78</u>

Notes:

(a) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 42. Provision as disclosed above is on case to case basis as identified by the management. Expected credit loss provision, as required by Ind AS 109, of ₹ 821.72 lakhs (31 March 2017: ₹ 502.33 lakhs) has been netted off with considered good amount in the above disclosure.

(c) For terms and conditions of trade receivables owing from related parties, see note 39.

(d) For receivables secured against borrowings, see note 19.

12. Cash and cash equivalents

See accounting policy in note 3(s)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Cash on hand	43.44	59.08
Cheques in hand	247.60	-
Balances with banks		
- On current accounts	2,511.01	7,073.57
- On deposit accounts (with original maturities up to 3 months)	515.36	606.00
Cash and cash equivalents in balance sheet	<u>3,317.41</u>	<u>7,738.65</u>
Bank overdrafts used for cash management purposes	(1,020.31)	(424.30)
Cash and cash equivalents in the statement of cash flows	<u>2,297.10</u>	<u>7,314.35</u>

13. Other bank balances

	<u>31 March 2018</u>	<u>31 March 2017</u>
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*	31.34	66.59
Earmarked balances with banks for unpaid dividend accounts	4.02	4.22
	<u>35.36</u>	<u>70.81</u>

*Pledged/lodged with various government authorities as security



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

14. Other non-current assets	<u>31 March 2018</u>	<u>31 March 2017</u>
<i>(Unsecured, considered good)</i>		
Capital advances	1,100.67	12,579.24
Others		
Unmatured finance charges	210.92	110.53
Leasehold land prepayments	4,089.54	1,483.75
Deposits against demand under appeal and/or under dispute	319.15	368.16
Security deposits	26.01	26.01
	<u>5,746.29</u>	<u>14,567.69</u>
15. Other financial assets	<u>31 March 2018</u>	<u>31 March 2017</u>
<i>Non-current</i>		
Government grants receivable	2,001.73	-
Bank deposits due to mature after 12 months of the reporting date*	17.66	-
	<u>2,019.39</u>	<u>-</u>
<i>Current</i>		
Government grants receivable	1,934.62	2,232.69
Export incentive receivable	11.74	23.97
	<u>1,946.36</u>	<u>2,256.66</u>
	<u>3,965.75</u>	<u>2,256.66</u>
*Pledged/lodged with various government authorities as security		
16. Other current assets	<u>31 March 2018</u>	<u>31 March 2017</u>
<i>(Unsecured, considered good)</i>		
<i>To parties other than related parties</i>		
Advances for supplies	1,860.01	1,822.29
Advances to employees	33.18	-
Others		
Prepaid expenses	1,166.50	493.95
Unmatured finance charges	115.41	259.32
Leasehold land prepayments	48.58	18.93
Service tax input credit receivable	-	428.81
Balance with excise authorities	32.37	606.65
Balance with goods and service tax authorities	4,311.30	-
Income tax refund	-	49.08
	<u>7,567.35</u>	<u>3,679.03</u>



17. Equity share capital

See accounting policy in note 3(q)

	31 March 2018	31 March 2017
Authorised		
160,000,000 (31 March 2017: 160,000,000) equity shares of ₹ 1 each	1,600.00	1,600.00
Issued, subscribed and fully paid-up		
122,627,395 (31 March 2017: 122,627,395) equity shares of ₹ 1 each	1,226.27	1,226.27

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
At the commencement of the year	122,627,395	1,216.27	120,681,870	1,206.82
Add: Issued during the year*	-	-	1,945,525	19.45
At the end of the year	122,627,395	1,226.27	122,627,395	1,226.27

* The Holding Company, on 12 August 2016, had issued and allotted 19,45,525 equity shares of face value of ₹ 1 each through Qualified Institutional Placement (QIP) to Qualified Institutional Buyers at the issue price of ₹ 257 per equity share, aggregating to ₹ 5,000 lakhs for setting-up of new medium density fibreboard (MDF) manufacturing unit in Chittoor, Andhra Pradesh. The Company had complied with requisite provisions of the Companies Act, 2013 and SEBI, as applicable.

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Holding Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2018		31 March 2017	
	Number	%	Number	%
Equity shares of ₹ 1 each				
S.M. Management Private Limited	31,626,965	25.79%	17,717,310	14.45%
Greenply Leasing and Finance Private Limited	-	-	13,573,655	11.07%
Prime Holdings Private Limited	12,042,800	9.82%	12,042,800	9.82%
HSBC Bank (Mauritius) Limited - Jwalanukhi Investment Holdings	11,884,420	9.69%	11,884,420	9.69%
Trade Combines	11,702,380	9.54%	11,702,380	9.54%
SBI FMCG Fund	76,99,860	6.28%	11,405,052	9.30%
HDFC Trustee Company Limited	10,260,455	8.37%	10,974,455	8.95%

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

(e) The Holding Company for the period of five years immediately preceding the reporting date has not:

- (i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash
- (ii) Allotted fully paid up shares by way of bonus shares.
- (iii) Bought back any class of shares.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

18. Other equity	31 March 2018	31 March 2017
Securities premium reserve		
At the commencement of the year	4,852.03	-
Add: Received on issue of shares	-	4,980.54
Less: Expenses relating to issue of shares	-	128.51
	<u>4,852.03</u>	<u>4,852.03</u>
General reserve		
At the commencement of the year	23,462.24	16,962.24
Add: Transfer from Profit and Loss	6,500.00	6,500.00
	<u>29,962.24</u>	<u>23,462.24</u>
Retained earnings		
At the commencement of the year	48,542.16	43,369.29
Add: Profit for the year	11,062.71	12,544.37
Less: Transfer to general reserve	6,500.00	6,500.00
Less: Dividend on equity shares	735.76	724.09
Less: Dividend distribution tax	149.78	147.41
	<u>52,219.33</u>	<u>48,542.16</u>
Other comprehensive income (OCI)		
At the commencement of the year	(816.55)	(107.98)
Exchange differences in translating financial statements of foreign operations	187.81	(553.69)
Remeasurements of the net defined benefit plans	119.41	(154.88)
	<u>(509.33)</u>	<u>(816.55)</u>
	<u>86,524.27</u>	<u>76,039.88</u>

(a) Description, nature and purpose of reserve:

(i) **Security premium reserve:** Security premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

(ii) **General reserve:** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes or as allowed by the Companies Act, 2013.

(iii) **Retained earnings:** It comprises of accumulated profit/ (loss) of the Group.

(iv) **Other comprehensive income (OCI):** It comprises of remeasurements of the net defined benefit plans on actuarial valuation of gratuity and exchange differences in translating financial statements of foreign operations.

(b) Disaggregation of changes in items of OCI	31 March 2018	31 March 2017
Retained earnings		
Exchange differences in translating financial statements of foreign operations	(230.32)	(418.13)
Remeasurements of defined benefit liability/ (asset)	(279.01)	(398.42)
	<u>(509.33)</u>	<u>(816.55)</u>



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

19. Borrowings

See accounting policy in note 3(b), (c) and (p)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current borrowings		
Secured		
Term loans		
From banks		
Foreign currency loans	35,552.53	19,253.22
Rupee loans	13,183.49	9,483.56
	<u>48,736.02</u>	<u>28,736.78</u>
Less: Current maturities of long term borrowings (refer note 20)	<u>2,318.21</u>	<u>4,321.97</u>
	<u>46,417.81</u>	<u>24,414.81</u>
Loan against vehicles and equipments	1,623.58	1,553.39
Less: Current maturities of loan against vehicles and equipments (refer note 20)	<u>416.95</u>	<u>429.74</u>
	<u>1,206.63</u>	<u>1,123.65</u>
Finance lease obligations	901.45	1,017.61
Less: Current maturities of finance lease obligations (refer note 20)	<u>172.98</u>	<u>175.26</u>
	<u>728.47</u>	<u>842.35</u>
	<u>48,352.91</u>	<u>26,380.81</u>
Unsecured		
Loan against vehicles and equipments	203.33	494.75
Less: Current maturities of loan against vehicles and equipments (refer note 20)	<u>77.09</u>	<u>290.66</u>
	<u>126.24</u>	<u>204.09</u>
	<u>48,479.15</u>	<u>26,584.90</u>
Current borrowings		
Secured		
From banks		
Foreign currency loan - buyers credit	5,256.54	2,605.89
Foreign currency loans	1,885.15	504.07
Bank overdraft	1,020.31	424.30
Rupee loans - repayable on demand	3,470.87	3,405.70
Rupee loans - bill discounting	4,319.77	4,756.58
	<u>16,052.64</u>	<u>11,696.64</u>
Unsecured		
From banks		
Channel finance assurance facility	1,049.65	955.23
Rupee loans - bill discounting	2,651.03	116.17
	<u>3,700.68</u>	<u>1,071.40</u>
	<u>19,753.32</u>	<u>12,768.04</u>

Information about the Group's exposure to credit and currency risks, and loss allowances related to borrowings are disclosed in note 42.



19. Borrowings (continued)

(A) Terms of repayment

Name of the lender	Interest rate	Repayment schedule	Year of maturity	31 March 2018	31 March 2017
(i) Foreign currency term loans					
Landesbank Baden-Wuerttemberg [Nil (31 March 2017: EUR 19.65 lakhs)]	6 month Euribor -1.78%	-	2017-18	-	1,361.89
Axis Bank Limited [Nil (31 March 2017: USD 13.80 lakhs)]	3 month Libor +1.60%	-	2017-18	-	897.31
Landesbank Baden-Wuerttemberg [EUR 368.81 lakhs (31 March 2017: EUR 257.02 lakhs)]	6 month Euribor +0.50%	Repayable at half yearly rest: 20 of EUR 18.44 lakhs	2027-28	29,406.99	17,814.91
Standard Chartered Bank [USD 90 lakhs (31 March 2017: USD 20 lakhs)]	3 month Libor +1.55%	Repayable at quarterly rest: 20 of USD 4.50 lakhs	2022-23	5,850.45	1,300.45
Axis Bank Limited [USD 33.30 lakhs (31 March 2017: Nil)]	3 month Libor +2.75%	Repayable at quarterly rest: 20 of USD 1.67 lakhs	2023-24	2,164.67	-
				37,422.11	21,374.56
				(1,869.58)	(2,121.34)
				35,552.53	19,253.22
(ii) Rupee term loans					
IIDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 20 of ₹ 250.00 lakhs	2022-23	5,000.00	2,000.00
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 12 of ₹ 150.00 lakhs and 4 of ₹ 300.00 lakhs	2022-23	3,000.00	-
HDFC Bank Limited	1 year MCLR +0.60%	Repayable at quarterly rest: 11 of ₹ 200.00 lakhs	2020-21	2,200.00	3,000.00
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 8 of ₹ 126.00 lakhs	2019-20	1,008.00	1,512.00
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 8 of ₹ 125.00 lakhs	2019-20	1,000.00	1,500.00
IDBI Bank Limited	1 year MCLR +0.45%	Repayable at quarterly rest: 8 of ₹ 125.00 lakhs	2019-20	1,000.00	1,500.00
				13,208.00	9,512.00
				(24.51)	(28.44)
				13,183.49	9,483.56
Total				48,736.02	28,736.78



19. Borrowings (continued)

(B) Details of security

(a) Term loan from Landesbank Baden-Wurtemberg of ₹ 29,406.99 lakhs (31 March 2017: ₹ 17,814.91 lakhs) is secured by exclusive charge on Main Press Line of MDF plant at Chittoor, Andhra Pradesh along with any other movable fixed assets of the Holding Company, financed by Landesbank Baden-Wurtemberg.

(b) Other term loans of ₹ 19,058.45 lakhs (31 March 2017: ₹ 11,709.76 lakhs) are secured by:

(i) First pari passu charge on immovable fixed assets of the Holding Company at Kriparampur (West Bengal), Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).

(ii) First pari passu charge on all movable fixed assets of the Holding Company except assets specifically charged to other lender(s) (including the main press line of MDF plant at Pantnagar (Uttarakhand) and main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurtemberg.

(iii) Second pari passu charge on all current assets of the Holding Company.

(c) Term loan of Greenply Middle East Limited from Axis Bank Limited of ₹ 2,164.67 lakhs (31 March 2017: ₹ Nil) is secured by Standby letter of credit issued by Axis Bank Limited, India.

(d) Secured Loan against vehicles and equipments are in respect of finance of vehicles, secured by hypothecation of the respective vehicles.

(e) Working capital loans of ₹ 3,570.87 lakhs (31 March 2017: ₹ 3,405.70 lakhs) are secured by:

(i) First pari passu charge on all current assets of the Holding Company

(ii) Second pari passu charge on immovable fixed assets of the Holding Company at Kriparampur (West Bengal), Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).

(iii) Second pari passu charge on all movable fixed assets of the Holding Company except assets specifically charged to other lender(s) (including the main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurtemberg).

(f) Working capital loans of Greenply Trading Pte. Limited and Greenply Middle East Limited of ₹ 1,885.15 lakhs (31 March 2017: ₹ 504.07 lakhs) and Bank overdraft of Greenply Middle East Limited of ₹ 1,020.31 lakhs (31 March 2017: ₹ 424.30 lakhs) are secured by Standby letter of credit issued by Axis Bank Limited, India and CITI Bank, India.

(g) Foreign currency loan - buyers credit of ₹ 5,256.54 lakhs (31 March 2017: ₹ 2,605.89 lakhs) and Rupee loans - bill discounting of ₹ 4,319.77 lakhs (31 March 2017: ₹ 4,756.68 lakhs) is secured by letter of credit/letter of undertaking issued by banks.

(C) Finance lease obligations are payables as follows:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Not later than one year	172.98	175.26
Later than one year and not later than five years	629.91	743.22
More than five years	98.56	99.13
	<u>901.45</u>	<u>1,017.61</u>

Certain vehicles have been obtained on finance lease basis. The legal title to these vehicles vests with their lessor. The lease term of such vehicles is 5 to 7 years with equated monthly payments beginning from the month subsequent to the commencement of lease.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

20. Other financial liabilities	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Security deposits from customers	1,153.03	1,117.89
Liability for capital goods	<u>2,336.06</u>	<u>1,762.94</u>
	<u>3,489.09</u>	<u>2,880.83</u>
Current		
Current maturities of long term borrowings (refer note 19)	2,318.21	4,321.97
Current maturities of loan against vehicles and equipments (refer note 19)	494.04	720.40
Current maturities of finance lease obligations (refer note 19)	172.98	175.26
Interest accrued but not due on borrowings	105.98	82.82
Liability for capital goods	8,554.20	2,201.81
Employee benefits payable	2,330.70	2,110.34
Unclaimed dividend	4.02	4.22
	<u>13,980.13</u>	<u>9,616.82</u>

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2018.

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 42.

21. Provisions	<u>31 March 2018</u>	<u>31 March 2017</u>
Non-current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	1,591.60	1,578.18
Liability for compensated absences	<u>593.19</u>	<u>558.02</u>
	<u>2,184.79</u>	<u>2,136.20</u>
Current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	321.57	247.27
Liability for compensated absences	<u>148.25</u>	<u>230.80</u>
	<u>469.82</u>	<u>478.07</u>



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

22. Other non-current liabilities

	<u>31 March 2018</u>	<u>31 March 2017</u>
Deferred income on Government grants	4,991.70	-

Government grants have been received for the import of certain items of property, plant and equipment under export promotion capital goods (EPCG) scheme of Government of India. The Group has certain export obligations against such benefits availed which the Group will fulfill within the required time period under the scheme. For contingencies attached to these grants refer note 37.

23. Trade payables

	<u>31 March 2018</u>	<u>31 March 2017</u>
Dues to micro and small enterprises (Refer note 46)	12.31	3.78
Dues to other than micro and small enterprises	21,867.09	20,675.47
Dues to joint venture	17.13	81.08
	<u>21,896.53</u>	<u>20,760.33</u>

Information about the Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

24. Derivatives

See accounting policy in note 3(c)(v)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Current		
Foreign exchange forward contracts	(5.24)	142.19
Foreign exchange interest rate swaps	(125.97)	27.66
(Asset)/Liability	<u>(131.21)</u>	<u>169.85</u>

Information about the Group's exposure to interest rate and currency risks related to derivatives is disclosed in note 42.

25. Other current liabilities

	<u>31 March 2018</u>	<u>31 March 2017</u>
Statutory dues	2,149.61	2,477.12
Deferred income on Government grants	2,338.20	-
Advance from customers	985.77	913.01
	<u>5,473.58</u>	<u>3,390.13</u>



26. Revenue from operations

See accounting policy in note 3(k) and (l)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty)	1,70,795.76	1,77,344.71
Other operating revenue		
Government grants		
- Refund of goods and service tax and excise duty (refer note 47)	2,688.54	620.87
- Government grants - EPCG scheme (refer note 22)	62.58	-
Export incentives	44.29	49.16
Miscellaneous income	106.39	174.58
	<u>2,901.80</u>	<u>844.61</u>
	<u>1,73,697.56</u>	<u>1,78,189.32</u>

Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas excise duty formed part of expenses in previous year. Accordingly, revenue from operations and expenses for the year ended 31 March 2018 are not comparable with the previous year presented in the consolidated financial statements.

27. Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on fixed deposits with banks and others	93.96	125.01
Income from related party:		
- Commission on guarantee given to joint venture	19.38	30.99
Unspent liabilities no longer required written back	80.49	182.49
Rental income from property	0.60	0.60
Gain on sale of current investments	-	38.50
Miscellaneous income	21.74	-
	<u>216.17</u>	<u>377.59</u>

28. Cost of materials consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of raw materials at the beginning of the year	5,944.39	8,292.20
Add: Purchases	69,025.77	66,601.54
Less: Inventory of raw materials at the end of the year	<u>(11,017.64)</u>	<u>(5,944.39)</u>
	<u>63,952.52</u>	<u>68,949.35</u>

29. Purchase of stock in trade

	Year ended 31 March 2018	Year ended 31 March 2017
Purchase of traded goods	<u>27,469.73</u>	<u>23,181.60</u>



30. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(i)

	Year ended 31 March 2018	Year ended 31 March 2017
Opening inventories		
Work-in-progress	1,605.75	1,151.24
Finished goods	3,793.18	1,620.11
Stock in trade	2,461.59	1,300.04
	<u>7,860.52</u>	<u>4,071.39</u>
Closing inventories		
Work-in-progress	2,085.27	1,605.75
Finished goods	3,796.30	3,793.18
Stock in trade	3,858.79	2,461.59
	<u>9,740.36</u>	<u>7,860.52</u>
Effect of foreign exchange fluctuations	0.69	-
	<u>(1,879.15)</u>	<u>(3,789.13)</u>

31. Employees benefits expense

See accounting policy in note 3(i)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus, etc.	17,208.57	15,839.44
Contribution to provident and other funds	895.62	874.60
Expenses related to post-employment defined benefit plan	387.24	340.20
Expenses related to compensated absences	326.50	346.16
Staff welfare expenses	851.42	320.45
	<u>19,669.35</u>	<u>17,720.85</u>

Salaries, wages, bonus, etc. includes ₹ 2,811.68 lakhs (31 March 2017 ₹ 2,097.37 lakhs) relating to outsource manpower cost.

Notes:

(a) **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 Consolidated Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(b) **Defined benefit plan:** Retirement benefits in the form of gratuity is 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 Consolidated 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 Holding Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

31. Employees benefits expense (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
(c) Actuarial valuation of gratuity liability		
Defined benefit cost		
Current service cost	252.91	229.02
Interest expense on defined benefit obligation	134.33	111.18
Defined benefit cost in Statement of Profit and Loss	<u>387.24</u>	<u>340.20</u>
Remeasurements from financial assumptions	4.81	142.55
Remeasurements from experience adjustments	(188.36)	7.60
Defined benefit cost in Other Comprehensive Income (OCI)	<u>(183.55)</u>	<u>150.15</u>
Total defined benefit cost in Statement of Profit and Loss and OCI	<u>203.69</u>	<u>490.35</u>
Movement in defined benefit obligation		
Balance at the beginning of the year	1,825.45	1,444.35
Interest cost	134.33	111.18
Current service cost	252.91	229.02
Actuarial (gains)/ losses recognised in other comprehensive income	(183.55)	150.15
Benefits paid	(115.97)	(109.25)
Balance at the end of the year	<u>1,913.17</u>	<u>1,825.45</u>
Sensitivity analysis		
Salary escalation - Increase by 1%	2,071.86	2,002.31
Salary escalation - Decrease by 1%	1,773.68	1,671.79
Withdrawal rates - Increase by 1%	1,925.42	1,829.49
Withdrawal rates - Decrease by 1%	1,899.80	1,819.98
Discount rates - Increase by 1%	1,780.27	1,682.90
Discount rates - Decrease by 1%	2,066.16	1,992.25
Actuarial assumptions		
Mortality table	IALM 2006-2008	IALM 2006-2008
Discount rate (per annum)	7.00%	7.00%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	1% - 8%	1% - 8%
Expected benefit payments		
Not later than 1 year	77.09	59.30
Later than 1 year and not later than 5 years	401.25	308.65
More than 5 years	346.37	266.44
Weighted average duration of defined benefit obligation (in years)	5.06	11.24

(d) Amount incurred as expense for defined contribution to Provident Fund is ₹ 696.05 lakhs (31 March 2017 ₹ 675.25 lakhs)

32. Finance costs

See accounting policy in note 3(p)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost	2,798.45	2,263.61
Exchange difference regarded as an adjustment to borrowing cost	2,230.38	-
Other borrowing cost	190.27	114.22
Less: Finance cost capitalised	(4,073.47)	(485.89)
	<u>1,135.63</u>	<u>1,891.94</u>



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

33. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	4,894.59	4,958.63
Amortisation of intangible assets	86.52	107.65
	<u>4,981.11</u>	<u>5,066.28</u>

34. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spares	1,876.24	1,644.80
Power and fuel	6,984.96	6,828.30
Rent	1,266.90	1,136.04
Repairs to:		
- buildings	193.82	153.58
- plant and equipment	1,408.80	1,239.70
- others	835.78	970.45
Insurance	421.58	373.95
Rates and taxes	507.19	551.11
Travelling expenses	2,382.78	1,717.96
Freight and delivery expenses	9,376.47	10,013.70
Advertisement and sales promotion	5,497.30	6,241.98
Directors sitting fees	27.59	29.19
Payment to auditors [refer note 34 (j) below]	56.03	38.25
Donation	38.68	38.89
Expenditure on corporate social responsibility [refer note 34 (ii) below]	340.43	317.93
Loss on sale/discard of property, plant and equipment	616.50	227.13
Amortisation of leasehold land prepayments	32.90	18.84
Loss on fair valuation of investments at FV(FP)	0.32	0.12
Provision for doubtful debts	302.32	230.68
Foreign exchange fluctuations	1,452.73	237.92
Miscellaneous expenses	5,414.65	4,234.88
	<u>39,033.96</u>	<u>36,215.40</u>
34 (j) Payment to auditors		
As auditors:		
- Statutory audit	44.23	33.24
- Tax audit	-	2.00
- Limited review of quarterly results*	4.25	0.75
In other capacity		
- Certification fees*	1.67	2.26
- Other services	4.15	-
Reimbursement of expenses	1.73	-
	<u>56.03</u>	<u>38.25</u>

* Payment to auditors for the year ended 31 March 2018 includes payment made to erstwhile auditor of Holding Company amounting to ₹ 0.25 lakhs towards limited review of 1st quarter results and ₹ 0.87 lakhs towards certification fees.

34 (ii) Details of corporate social responsibility (CSR) expenditure

(a) Gross amount required to be spent by the Group during the year	<u>341.69</u>	<u>307.26</u>
(b) Amount spent during the year in cash on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
- Expenses towards Plantation activities	73.43	77.93
- Contribution to trust i.e. Greenply Foundation	267.00	240.00
	<u>340.43</u>	<u>317.93</u>
(c) Amount yet to be paid in cash	<u>1.26</u>	<u>-</u>



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

35. Income tax

See accounting policy in note 3(o)

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Amount recognised in Profit and Loss		
Current tax	4,106.65	4,058.81
Earlier years tax	(41.04)	123.66
Income tax	4,065.61	4,182.47
Deferred tax	(77.06)	(545.34)
MAT credit	1,362.08	1,950.52
Deferred tax	1,285.02	1,405.18
Tax expense in Statement of Profit and Loss	5,350.63	5,587.65
Deferred tax in other comprehensive income	64.14	(81.97)
Tax expense in Total Comprehensive Income	5,414.77	5,505.68
(b) Reconciliation of effective tax rate for the year		
Profit before Tax	16,413.34	18,132.02
Applicable Income Tax rate	34.608%	34.608%
Computed tax expense	5,680.33	6,275.13
Deferred tax asset not recognised on business losses	604.42	410.71
Share of loss/(profit) of joint venture	263.11	(77.49)
Additional deduction as per income tax	(1,356.49)	(1,115.77)
Non-deductible expenses for tax purposes	136.64	129.15
Other differences (Net)	22.62	(34.08)
Income tax expense in Statement of Profit and Loss	5,350.63	5,587.65
(c) Recognised deferred tax assets and liabilities:		
Property, plant and equipment and intangible assets	4,696.72	4,532.58
Provisions for employee benefits	(1,208.16)	(1,147.49)
Expenses allowed for tax purposes when paid	(220.90)	(208.30)
Provision for doubtful debts	(392.26)	(338.90)
Other temporary differences	(78.38)	(27.95)
Minimum Alternate Tax (MAT) credit	(151.83)	(1,407.59)
Deferred tax liabilities	2,645.19	1,402.35
(d) Reconciliation of Deferred Tax Liability:		
Temporary difference on account of:		
Property, plant and equipment and intangible assets	164.14	(217.85)
Provisions for employee benefits	(124.81)	(185.24)
Expenses allowed for tax purposes when paid	(12.60)	(55.85)
Provision for doubtful debts	(53.36)	(78.15)
Other temporary differences	(50.43)	(8.25)
Minimum Alternate Tax (MAT) credit	1,362.08	1,950.52
Deferred tax in Statement of Profit and Loss	1,285.02	1,405.18
Temporary difference of liabilities in other comprehensive income	64.14	(81.97)
Deferred tax in Total Comprehensive Income	1,349.16	1,323.21
MAT credit utilisation in income tax for earlier years	(106.32)	-
Total Deferred tax	1,242.84	1,323.21

36. Earnings per share

	Year ended 31 March 2018	Year ended 31 March 2017
Basic and diluted earnings per share		
(i) Profit for the year, attributable to the equity shareholders	11,062.71	12,544.37
(ii) Weighted average number of equity shares		
- Number of equity shares at the beginning of the year	122,627,395	120,681,870
- Number of equity shares allotted on 16 August 2016	-	1,945,525
- Number of equity shares at the end of the year	122,627,395	122,627,395
Weighted average number of equity shares	122,627,395	121,897,157
Basic and diluted earnings per share (₹) [(i)/(ii)]	9.02	10.29



M

Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

37. Contingent liability and commitments
(to the extent not provided for)

	<u>31 March 2018</u>	<u>31 March 2017</u>
Contingent liabilities		
(a) Claims against the Group not acknowledged as debts:		
(i) Excise duty, sales tax and other indirect taxes in dispute	3,371.66	2,786.14
(ii) Consumer court cases in dispute	63.12	85.64
(b) Guarantees outstanding		
(i) Guarantee given to bank in respect of financial assistance to a joint venture company	1,950.15	1,950.68
Capital and other commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,747.54	23,716.26
(ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under Export Promotion Capital Goods scheme (EPCG)	45,596.47	29,460.54

Claim against the Group not acknowledged as debt:

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Guarantees outstanding:

The Holding Company had issued guarantee in favour of banker on behalf of its joint venture company - Greenply Alkermal (Singapore) Pte. Limited for the purpose of availing working capital loan. This guarantee was issued in USD.

38. Operating leases

See accounting policy in note 3(m)

(a) Future minimum lease rentals payable under non cancellable operating lease

The Group has taken certain vehicles under non-cancellable operating leases. Lease rental expense under non-cancellable operating lease during the year amounted to ₹ 195.13 lakhs (31 March 2017: ₹ 159.74 lakhs). Future minimum lease payments under non-cancellable operating lease is as below:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Not later than one year	181.77	159.29
Later than one year and not later than five years	302.00	329.67
More than five years	-	-
	<u>483.77</u>	<u>488.96</u>

(b) The Group has taken certain commercial premises and equipments under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Consolidated Statement of Profit and Loss with respect to cancellable operating leases ₹ 1,071.77 lakhs (31 March 2017: ₹ 985.30 lakhs) has been included as rent in note 34 'Other expenses'.



39. Related party disclosure

a) Related parties where control exists

Company in which a subsidiary is a Joint Venture Partner:

- i) Greenply Alkmal (Singapore) Pte. Limited, Singapore
(Joint venture of Greenply Trading Pte. Limited, Singapore with Alkmal Singapore Pte. Limited, Singapore)

b) Other related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)

- i) Mr. Shiv Prakash Mittal, Executive Chairman
ii) Mr. Rajesh Mittal, Managing Director
iii) Mr. Shobhan Mittal, Joint Managing Director & CEO
iv) Mr. Sanidhya Mittal, Executive Director (w.e.f. 07.02.2018)
v) Mr. Sugil Kumar Pal, Non-Executive Independent Director
vi) Mr. Vinod Kumar Kothari, Non-Executive Independent Director
vii) Mr. Anupam Kumar Mukerji, Non-Executive Independent Director
viii) Mr. Upendra Nath Challu, Non-Executive Independent Director
ix) Ms. Sonali Bhagwati Dalal, Non-Executive Independent Director
x) Mr. Moina Yometh Konyak, Non-Executive Independent Director (died on 08.01.2018)
xi) Mr. V. Venkatramani, Chief Financial Officer
xii) Mr. Kaushal Kumar Agarwal, Company Secretary & Vice President - Legal

Relatives of Key Management Personnel (KMP)

- i) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal)
ii) Mrs. Surbhi Poddar (Daughter of Mr. Rajesh Mittal)
iii) Mr. Sanidhya Mittal (Son of Mr. Rajesh Mittal)

c) Enterprises controlled by Key Management Personnel or their relatives

- i) Prime Holdings Private Limited
ii) Trade Combines (Partnership Firm)
iii) RS Homecon Limited
iv) Mastermind Shoppers Private Limited
v) Greenlam Industries Limited



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

39. Related party disclosure (continued)

d) Related party transactions

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Greenply Alkermul (Singapore) Pte. Limited	Purchase of products	487.34	968.73
	Commission on guarantee	19.38	31.00
	Guarantee given	-	975.34
Greenlam Industries Limited	Sale of products	207.62	122.05
	Purchase of products	379.36	209.86
	Rental income	0.60	0.60
Mr. Shiv Prakash Mittal	Remuneration	528.94	531.56
Mr. Rajesh Mittal	Remuneration	517.46	520.08
Mr. Shobhan Mittal	Remuneration	521.63	544.27
Mr. Sanidhya Mittal	Remuneration	67.82	19.61
Mr. V. Venkatramani	Remuneration	85.39	76.23
Mr. Kaushal Kumar Agarwal	Remuneration	42.91	37.89
Mr. Anupam Kumar Mukerji	Remuneration	16.95	15.30
Mr. Susil Kumar Pal	Remuneration	16.95	16.70
Mr. Upendra Nath Challu	Remuneration	16.20	14.50
Mr. Vinod Kumar Kothari	Remuneration	15.35	16.50
Ms. Sonali Bhagwati Dalal	Remuneration	11.60	12.00
Mr. Moina Yometh Konyak	Remuneration	-	10.40
Mrs. Chitwan Mittal	Remuneration	28.23	21.22
Mrs. Surbhi Proddar	Remuneration	16.34	14.21
Princ Holdings Private Limited	Rent paid	18.72	17.83
RS Homson Limited	Rent paid	7.46	7.06
Trade Combines	Rent paid	3.40	3.24
Mastermind Shoppers Private Limited	Rent paid	4.35	-
	Security deposit given	2.90	-

9



39. Related party disclosure (continued)

e) Outstanding balances

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Greenply Alkermal (Singapore) Pte. Limited	Purchase of products	17.13	81.08
	Guarantee given	1,950.15	1,950.15
Greenlam Industries Limited	Purchase of products	10.77	27.80
	Sale of products	21.89	28.41
Mr. Shiy Prakash Mittal	Remuneration	283.80	286.42
Mr. Rajesh Mittal	Remuneration	283.80	286.42
Mr. Shobhan Mittal	Remuneration	283.80	286.42
Mr. Sanidhya Mittal	Remuneration	41.62	-
Prime Holdings Private Limited	Security deposit given	13.20	13.20
RS Homcon Limited	Security deposit given	1.50	1.50
Trade Combines	Security deposit given	2.40	2.40
Mastermind Shoppers Private Limited	Security deposit given	2.90	-

f) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

<u>Nature of transaction</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Short-term employee benefits	1,702.10	1,664.82
Other long-term benefits	62.05	64.82
Total compensation paid to key management personnel	1,764.15	1,729.64

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Holding Company as a whole, the amount pertaining to each key management personnel is not separately ascertainable and, therefore, not included above. Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

g) Terms and conditions of transactions with related parties

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

The guarantees given to related party is made in the ordinary course of business and on terms at arm's length price. The commission on such guarantees have been recovered at arm length price as per safe harbour rules of Income Tax Act.



40. Accounting classifications and fair values

See accounting policy in note 3(c)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Balance Sheet are as follows:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Financial assets at amortised cost		
Non-current		
Loans	1,445.31	1,053.65
Other financial assets	2,019.39	-
Current		
Trade receivables	28,560.14	29,834.78
Cash and cash equivalents	3,317.41	7,738.65
Other bank balances	35.36	70.81
Loans	138.47	333.37
Other financial assets	1,946.36	2,256.66
	<u>37,462.44</u>	<u>41,287.92</u>
Financial assets at fair value through profit and loss		
Non-current		
Level 1		
Investments	0.59	0.91
Current		
Level 2		
Derivatives	131.21	-
	<u>131.80</u>	<u>0.91</u>
Total Financial Assets	<u>37,594.24</u>	<u>41,288.83</u>
Financial liabilities at amortised cost		
Non-current		
Borrowings	48,479.15	26,584.90
Other financial liabilities	3,489.09	2,880.83
Current		
Borrowings	19,753.32	12,768.04
Other financial liabilities	13,980.13	9,616.82
Trade payables	21,896.53	20,760.33
	<u>1,07,598.22</u>	<u>72,610.92</u>
Financial liabilities at fair value through profit and loss		
Current		
Level 2		
Derivatives	-	169.85
	<u>1,07,598.22</u>	<u>72,780.77</u>



41. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements are as follows:

	<u>31 March 2018</u>	<u>31 March 2017</u>
Financial assets - Level 1		
Investments	<u>0.59</u>	<u>0.91</u>
Financial assets - Level 2		
Derivatives	<u>131.21</u>	<u>-</u>
Financial liabilities - Level 2		
Derivatives	<u>-</u>	<u>169.85</u>

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits, borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of the quoted investments are based on market price at the respective reporting date.
- (b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves based on report obtained from banking partners.
- (c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies based on report obtained from banking partners.



42. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance.

The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. Foreign currency options contract are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, credit based approval process.
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities.
Market risk Foreign exchange risk	Committed commercial transaction, Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Interest rate	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Interest rate swaps



42. Financial risk management (continued)

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group receivables from customers and loans. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, foreign exchange transactions and financial guarantees. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	31 March 2018	31 March 2017
Revenue from a top customer	2.35%	2.44%
Revenue from top five customers	6.35%	5.94%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables.

(i) Credit risk

	31 March 2018	31 March 2017
Balance at the beginning	502.33	267.68
Impairment loss recognised	319.39	234.65
Balance at the end	821.72	502.33



42. Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

31 March 2018	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	24,389.35	31,937.71	22,553.59	78,880.65
Trade payables	21,896.53	-	-	21,896.53
Other financial liabilities	10,888.92	3,155.55	333.54	14,378.01
	57,174.80	35,093.26	22,887.13	1,15,155.19
31 March 2017	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	19,011.04	18,213.31	14,526.18	51,750.53
Trade payables	20,760.33	-	-	20,760.33
Other financial liabilities	4,316.37	2,880.83	-	7,197.20
Derivatives	169.85	-	-	169.85
	44,257.59	21,094.14	14,526.18	79,877.91

* including estimated interest

R



42. Financial risk management (continued)

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

(a) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.

Exposure to currency risk

The Group's exposure to foreign currency at the end of the reporting period are as follows:

Particulars	Currency	31 March 2018		31 March 2017	
		Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
- Hedged exposures					
Borrowings - Buyers credit	EURO	-	-	1,69,657	117.60
	USD	42,44,630	2,759.22	38,26,816	2,488.29
			<u>2,759.22</u>		<u>2,605.89</u>
- Unhedged exposures					
Borrowings	EURO	3,68,80,853	29,406.99	2,76,66,559	19,176.80
	USD	90,00,000	5,850.45	33,80,000	2,197.76
			<u>35,257.44</u>		<u>21,374.56</u>
Borrowings - Buyers credit	EURO	1,10,795	88.34	-	-
	USD	37,05,833	2,408.98	-	-
			<u>2,497.32</u>		<u>-</u>
Trade payables	EURO	41,51,587	3,310.27	3,49,774	242.44
	USD	5,67,343	368.80	1,13,291	73.66
			<u>3,679.07</u>		<u>316.10</u>
Trade receivables	USD	13,23,285	860.20	5,79,304	376.68



42. Financial risk management (continued)

(iii) Market risk (continued)

(a) Currency risk (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EURO against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Nature	Effect	31 March 2018	31 March 2017
USD (1% Movement)	Profit or loss	Strengthening	(105.27)	(43.83)
		Weakening	105.27	43.83
	Equity, net of tax	Strengthening	(68.84)	(28.66)
		Weakening	68.84	28.66
EUR (1% Movement)	Profit or loss	Strengthening	(328.06)	(195.37)
		Weakening	328.06	195.37
	Equity, net of tax	Strengthening	(214.52)	(127.76)
		Weakening	214.52	127.76

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's short term borrowing with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Effect of interest rate swaps	(5,850.45)	(3,559.65)
	(5,850.45)	(3,559.65)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(72,062.13)	(45,765.12)
Effect of interest rate swaps	(72,062.13)	(45,765.12)
	5,850.45	3,559.65
	(66,211.68)	(42,205.47)



42. Financial risk management (continued)

(iii) Market risk (continued)

(b) Interest rate risk (continued)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Nature	Effect	31 March 2018	31 March 2017
Variable rate instruments	Profit or loss	Strengthening	(720.62)	(457.65)
		Weakening	720.62	457.65
	Equity, net of tax	Strengthening	(471.23)	(299.27)
		Weakening	471.23	299.27
Interest rate swap	Profit or loss	Strengthening	58.50	35.60
		Weakening	(58.50)	(35.60)
	Equity, net of tax	Strengthening	38.25	23.28
		Weakening	(38.25)	(23.28)
Cash flow sensitivity (net)	Profit or loss	Strengthening	(662.12)	(422.05)
		Weakening	662.12	422.05
	Equity, net of tax	Strengthening	(432.97)	(275.99)
		Weakening	432.97	275.99

43. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Group monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

	31 March 2018	31 March 2017
Total debt (Bank and other borrowings)	71,044.72	44,395.31
Less: Cash and cash equivalents	3,317.41	7,738.65
Adjusted net debt	67,727.31	36,656.66
Equity	87,750.54	77,266.15
Debt to Equity (net)	0.77	0.47

In addition, the Group has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc. which is maintained by the Group.



44. Operating segments

A. Basis of segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's strategic business units. These business units are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments.

Reportable segment	Operations
Plywood and allied products	Manufacturing and trading
Medium Density Fibre Boards and allied products	Manufacturing

Other operations of the Group include trading of Wallpaper, Solid surface, PVC form and allied products. None of these operations meets any of the quantitative thresholds for determining reportable segments in the year ended 31 March 2018 or year ended 31 March 2017.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31 March 2018	Reportable segments			All other segments	Total
	Plywood and allied products	Medium Density Fibre Boards and allied products	Total Reportable segments		
Segment revenue:					
= External revenues					
a) Sales	1,19,278.30	48,345.82	1,67,624.12	3,171.64	1,70,795.76
b) Other operating income	1,283.03	1,618.77	2,901.80	-	2,901.80
= Inter-segment revenue	-	-	-	-	-
Total segment revenue	1,20,561.33	49,964.59	1,70,525.92	3,171.64	1,73,697.56
Segment profit/(loss) before income tax	11,291.36	11,536.31	22,827.67	(674.57)	22,153.10
Segment profit/(loss) before income tax includes:					
Interest revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation and amortisation	2,337.76	2,170.12	4,507.88	4.09	4,511.97
Tax expense	-	-	-	-	-
Other material non-cash item (if any)	-	-	-	-	-
Segment assets	86,380.16	1,15,628.19	2,02,008.35	2,706.48	2,04,714.83
Segment assets include:					
Capital expenditure during the year	12,621.08	53,886.83	66,507.91	-	66,507.91
Segment liabilities	53,423.89	62,572.10	1,15,995.99	846.09	1,16,842.08



44. Operating segments (continued)

B. Information about reportable segments (continued)

Year ended 31 March 2017	Reportable segments			All other segments	Total
	Plywood and allied products	Medium Density Fibre Boards and allied products	Total Reportable segments		
Segment revenue:					
- External revenues					
a) Sales	1,28,191.30	48,136.23	1,76,327.53	1,017.18	1,77,344.71
b) Other operating income	750.69	93.92	844.61	-	844.61
- Inter-segment revenue					
Total segment revenue	1,28,941.99	48,230.15	1,77,172.14	1,017.18	1,78,189.32
Segment profit/(loss) before income tax	12,762.80	10,841.70	23,604.50	(259.99)	23,344.51
Segment profit/(loss) before income tax includes:					
Interest revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation and amortisation	2,434.97	2,238.42	4,673.39	2.69	4,676.08
Tax expense	-	-	-	-	-
Other material non cash item (if any)	-	-	-	-	-
Segment assets	74,600.47	75,282.67	1,49,883.14	1,315.29	1,51,198.43
Segment assets include:					
Capital expenditure during the year	7,924.61	22,658.48	30,583.09	-	30,583.09
Segment liabilities	40,733.89	33,448.86	74,182.75	517.08	74,699.83

Property, plant and equipment are allocated based on location of the assets.

C. Reconciliation of information on reportable segments to Ind AS measures

	Year ended 31 March 2018	Year ended 31 March 2017
i. Revenue		
Total revenue for reportable segments	1,70,525.92	1,77,172.14
Revenue for other segments	3,171.64	1,017.18
Elimination of inter-segment revenue	-	-
Elimination of revenue of discontinued operation	-	-
Consolidated revenue	1,73,697.56	1,78,189.32
ii. Profit before tax		
Total profit before tax for reportable segments	22,827.67	23,604.50
Profit before tax for other segments	(674.57)	(259.99)
Elimination of inter-segment profits	-	-
Elimination of profit of discontinued operation	-	-
Unallocated amounts:		
Corporate expenses	(5,739.76)	(5,212.49)
Consolidated profit before tax	16,413.34	18,132.02
iii. Assets		
Total assets for reportable segments	2,02,008.35	1,49,883.14
Assets for other segments	2,706.48	1,315.29
Unallocated amounts	6,399.01	6,255.24
Consolidated total assets	2,11,113.84	1,57,453.67
iv. Liabilities		
Total liabilities for reportable segments	1,15,995.99	74,182.75
Liabilities for other segments	846.09	517.08
Unallocated amounts	6,521.22	5,487.69
Consolidated total liabilities	1,23,363.30	80,187.52



44. Operating segments (continued)

C. Reconciliations of information on reportable segments to Ind AS measures (continued)

v. Other material items

Particulars	Year ended 31 March 2018			Year ended 31 March 2017		
	Reportable segment total	Adjustments	Consolidated totals	Reportable segment total	Adjustments	Consolidated totals
Interest revenue	-	-	-	-	-	-
Interest expense	-	1,135.63	1,135.63	-	1,891.94	1,891.94
Capital expenditure during the year	66,507.91	721.60	67,229.51	30,583.09	577.47	31,160.56
Depreciation and amortisation expense	4,507.88	473.23	4,981.11	4,673.39	-	4,673.39

D. Geographical information

Particulars	Within India		Outside India		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
External revenue by location of customers	1,67,121.31	1,74,963.07	6,576.25	3,226.25	1,73,697.56	1,78,189.32
Carrying amount of segment assets by location of assets	2,05,226.97	1,52,868.50	5,896.87	4,585.17	2,11,113.84	1,57,453.67

E. Major customer

The Group does not receive 10% or more of its revenues from transactions with any single external customer.

45. Taxation

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

46. Dues to Micro enterprises and small enterprises	<u>31 March 2018</u>	<u>31 March 2017</u>
(a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year		
- Principal	12.31	5.78
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The 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 the MSMED Act, 2006	-	-

47. Government grant (Ind AS 20): Other operating revenue includes, in respect of Holding Company, incentives against scheme of budgetary support under Goods and Services Tax Regime for the units set-up in Rudrapur-MDF, Uttarakhand and Tizit, Nagaland of ₹ 1,934.61 lakhs (31 March 2017 ₹ Nil) and incentive against refund of excise duty for the unit set-up in Tizit, Nagaland till 30 June 2017 of ₹ 753.93 lakhs (31 March 2017 ₹ 620.87 lakhs).

48. Distribution made and proposed dividend (Ind AS 1)	<u>Year ended</u> <u>31 March 2018</u>	<u>Year ended</u> <u>31 March 2017</u>
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017. ₹ 0.60 per share (31 March 2016: ₹ 0.60)	735.76	724.09
Dividend distribution tax on final dividend	149.78	147.41
Total dividend paid	885.54	871.50
Proposed dividend on equity shares		
Final dividend for the year ended on 31 March 2018: ₹ 0.60 per share (31 March 2017: ₹ 0.60)	735.76	735.76
Dividend distribution tax on final dividend	151.24	149.78
Total dividend proposed	887.00	885.54

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2018.



Greenply Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
₹ in Lakhs

49. Non-controlling interests

Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013:

	Net assets (total assets minus total liabilities)		Share in profit or loss	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs
Holding Company				
Greenply Industries Limited	104.28%	91,505.38	122.66%	13,569.46
Subsidiaries:				
Foreign				
Greenply Trading Pte. Limited *	-3.52%	(3,094.24)	-16.81%	(1,859.46)
Greenply Holdings Pte. Limited	-0.01%	(10.04)	-0.04%	(4.66)
Greenply Middle East Limited ^	-0.74%	(645.37)	-5.76%	(637.44)
Indian				
Greenpanel Industries Limited	-0.01%	(5.19)	-0.05%	(5.19)
Non-controlling interests in all subsidiaries	0.00%	-	0.00%	-
At 31 March 2018	100.00%	87,750.54	100.00%	11,062.71
	Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated other comprehensive income	₹ in Lakhs	As % of consolidated total comprehensive income	₹ in Lakhs
Holding Company				
Greenply Industries Limited	38.87%	119.41	120.40%	13,688.87
Subsidiaries:				
Foreign				
Greenply Trading Pte. Limited *	-4.66%	(14.32)	-16.48%	(1,873.78)
Greenply Holdings Pte. Limited	-0.01%	(0.04)	-0.04%	(4.70)
Greenply Middle East Limited ^	65.80%	202.17	-3.83%	(435.27)
Indian				
Greenpanel Industries Limited	0.00%	-	-0.05%	(5.19)
Non-controlling interests in all subsidiaries	0.00%	-	0.00%	-
At 31 March 2018	100.00%	307.22	100.00%	11,369.93

* includes share of a joint venture - Greenply Alkermal (Singapore) Pte. Limited
 ^ includes a wholly owned step down subsidiary company - Greenply Gabon SA

50. The Consolidated financial statements of the previous year were audited by a firm of chartered accountants other than BSR & Co. LLP.

51. Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification/disclosure.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration number: 101248W/W-100022

Jayanta Mukhopadhyay
 Partner
 Membership No: 055757



Place: Kolkata
 Dated: 29 May 2018

For and on behalf of Board of Directors of
Greenply Industries Limited
 CIN: L20211AS1990PLC003484

Shiv Prakash Mittal
 Executive Chairman
 (DIN: 00237242)

V. Venkatraman
 Chief Financial Officer

Place: Kolkata
 Dated: 29 May 2018

Rajesh Mittal
 Managing Director
 (DIN: 00240900)

Kaushal Kumar Agarwal
 Company Secretary & VP-Legal



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GREENPANEL INDUSTRIES LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of GREENPANEL INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period 13 December 2017 (date of incorporation) to 31 March 2018, 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.



OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial position including other comprehensive income), its cash flows and the changes in equity for the period 13 December 2017 (date of incorporation) to 31 March 2018.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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 and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 does not have any pending litigations on its financial position in its standalone Ind AS financial statements;

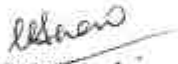
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. P. SHAW & CO.

Chartered Accountants

Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



Place : Kolkata

Dated : 7 May 2018

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE

RE: GREENPANEL INDUSTRIES LIMITED ('THE COMPANY')

(i) The Company does not have any Fixed Assets and accordingly the provisions of clause 3(i) of the Order are not applicable to the company.

(ii) The Company does not hold any inventories. Hence, clause 3(ii) of the order is not applicable.

(iii) The Company has not granted any loan during the period. Hence, clause 3(iii) of the order is not applicable.

(iv) The Company has not given any loans, investments, guarantees, and securities during the period. Hence, clause 3(iv) of the order is not applicable.

(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 regular in depositing with appropriate authorities undisputed statutory dues relating to income tax and goods and service tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, there were no dues outstanding of income-tax, goods and service tax on account of any dispute.

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

(ix) Based upon the audit procedures performed and according to the information and explanations given to us by the Management, no material fraud on or by the Company has been noticed or reported by the Management during the period.

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



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

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 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 period 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 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. P. SHAW & CO.**
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



Place : Kolkata
Dated : 7 May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GREENPANEL INDUSTRIES LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

To the Members of Greenpanel Industries Limited

We have audited the internal financial controls over financial reporting of GREENPANEL INDUSTRIES LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the period 13 December 2017 (date of incorporation) to 31 March 2018.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2018, 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 31 March 2018, and the related Statement of Profit and Loss and Cash Flow Statement for the period 13 December 2017 (date of incorporation) to 31 March 2018, and a summary of significant accounting policies and other explanatory information, and our report dated 7 May 2018 expressed an unqualified opinion thereon.

For **S. P. SHAW & CO.**
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



Place : Kolkata
Dated : 7 May 2018


Greenpanel Industries Limited
Standalone Balance Sheet as at 31 March 2018

	Note	Amount in ₹ 31 March 2018
Assets		
Current assets		
Financial assets		
Cash and cash equivalents	4	5,06,872.00
Total current assets		5,06,872.00
Total assets		5,06,872.00
Equity and liabilities		
Equity		
Equity share capital	5	10,00,000.00
Other equity	6	(5,19,483.00)
Total equity		4,80,517.00
Liabilities		
Current liabilities		
Financial liabilities		
Trade payables	7	25,025.00
Other current liabilities	8	1,330.00
Total current liabilities		26,355.00
Total equity and liabilities		5,06,872.00

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For S. P. SHAW & CO.
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272


Shiv Prakash Mittal
Director
(DIN : 00237242)


Rajesh Mittal
Director
(DIN : 00240900)

Place : Kolkata
Dated : 7 May 2018

Place : Kolkata
Dated : 7 May 2018


Greenpanel Industries Limited
 Standalone Statement of Profit and Loss for the period 13 December 2017 to 31 March 2018

	Note	Amount in ₹ Period ended 31 March 2018
Income		
Revenue from operations		-
Total income		-
Expenses		
Other expenses	9	5,19,483.00
Total expenses		5,19,483.00
Profit before tax		(5,19,483.00)
Tax expense		-
Profit for the period		(5,19,483.00)
Other comprehensive income		-
Total comprehensive income for the period		(5,19,483.00)
Earnings per equity share	10	
[Face value of equity share ₹ 1 each]		
- Basic (₹)		(0.52)
- Diluted (₹)		(0.52)

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
 For **S. P. SHAW & CO.**
 Chartered Accountants
 Firm Registration number: 314229E


S. P. Shaw
 Partner
 Membership No: 051927



For and on behalf of Board of Directors of
Greenpanel Industries Limited
 CIN: U20100AS2017PLC018272


Shiv Prakash Mittal
 Director
 (DIN : 00237242)


Rajesh Mittal
 Director
 (DIN : 00240900)

Place : Kolkata
 Dated : 7 May 2018

Place : Kolkata
 Dated : 7 May 2018

Greenpanel Industries Limited

Standalone Statement of changes in equity for the period 13 December 2017 to 31 March 2018

a) Equity share capital

Particulars	Amount in ₹
Balance as at commencement of the period	-
Changes in equity share capital during the period (Note 5)	10,00,000.00
Balance as at 31 March 2018	10,00,000.00

b) Other equity

Particulars	Amount in ₹
Balance as at commencement of the period	-
Profit / (Loss) for the period	(5,19,483.00)
Balance as at 31 March 2018	(5,19,483.00)

Significant accounting policies

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For **S. P. SHAW & CO.**
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272


Shiv Prakash Mittal
Director
(DIN : 00237242)


Rajesh Mittal
Director
(DIN : 00240900)

Place : Kolkata
Dated : 7 May 2018

Place : Kolkata
Dated : 7 May 2018

Greenpanel Industries Limited
Standalone Cash Flow Statement for the period 13 December 2017 to 31 March 2018

	<u>Amount in ₹</u> <u>Period ended</u> <u>31 March 2018</u>
A. Cash flows from operating activities	
Profit before Tax	(5,19,483.00)
Operating Profit before Working Capital Changes	(5,19,483.00)
(Decrease)/ increase in trade and other payables	(26,355.00)
Cash generated from operating activities	(4,93,128.00)
Net cash from operating activities	(4,93,128.00)
B. Cash flows from investing activities	
Net cash used in investing activities	-
C. Cash flows from financing activities	
Proceeds from issue of equity share capital	10,00,000.00
Net cash flow from financing activities	10,00,000.00
Net increase / (decrease) in cash and cash equivalents	5,06,872.00
Cash and cash equivalents at commencement of period	-
Cash and cash equivalents at the end of the period	5,06,872.00

As per our report of even date attached
For S. P. SHAW & CO.
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272


Shiv Prakash Mittal
Director
(DIN : 00237242)


Rajesh Mittal
Director
(DIN : 00240900)

Place : Kolkata
Dated : 7 May 2018

Place : Kolkata
Dated : 7 May 2018

Greenpanel Industries Limited
Notes to the standalone financial statements for the period 13 December 2017 to 31 March 2018

1. Reporting entity

Greenpanel Industries Limited (the 'Company') is a public company domiciled in India with its registered office situated at Mukum Road, P.O. Tinakia, Assam-786125, India. The Company has been incorporated under the provisions of the Indian Companies Act on 13 December 2017.

The Company is the wholly owned subsidiary company of Greenply Industries Limited.

2. Basis of preparation

a. Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The details of the Company's accounting policies are included in note 3.

b. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

c. Basis of measurement

The standalone financial statements have been prepared on historical cost convention on the accrual basis.

d. Use of estimates and judgements

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, the accompanying disclosures, and the disclosure of contingent liabilities.

3. Significant accounting policies

a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



h. Financial Instruments

(i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



Greenpanel Industries Limited

Notes to the standalone financial statements for the period 13 December 2017 to 31 March 2018

e. Share capital

Ordinary shares are classified as equity.

d. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

e. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

f. Earnings per share

Basic earnings per share is 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.



Greenpanel Industries Limited

Notes to the standalone financial statements for the period 13 December 2017 to 31 March 2018

4.	Cash and cash equivalents	Amount in ₹
	Balances with bank	4,84,072.00
	Cash on hand	22,800.00
		<u>5,06,872.00</u>
5.	Equity share capital	Amount in ₹
	Authorised	
	10,000,000 equity shares of ₹ 1 each	<u>10,00,000.00</u>
	Issued, Subscribed and Fully Paid up	
	1,000,000 equity shares of ₹ 1 each	<u>10,00,000.00</u>
	(a) Reconciliation of equity shares outstanding	
	At the commencement of the period	-
	Add: Issued during the period	10,00,000.00
	At the end of the period	<u>10,00,000.00</u>
	(b) Rights, preferences and restrictions attached to equity shares	
	The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.	
	On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.	
	(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares	
	Equity shares of ₹ 1 each	Number
	Greenply Industries Limited	10,00,000.00
		<u>100.00%</u>
	(d) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.	
	(e) The Company for the period of five years immediately preceding the reporting date has not:	
	(i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.	
	(ii) Allotted fully paid up shares by way of bonus shares.	
	(iii) Bought back any class of shares.	
6.	Other equity	Amount in ₹
	Retained earnings	
	At the commencement of the period	-
	Less: Loss for the period	(5,19,483.00)
		<u>(5,19,483.00)</u>
7.	Trade payables	Amount in ₹
	Dues to other than micro and small enterprises	25,025.00
		<u>25,025.00</u>
8.	Other current liabilities	Amount in ₹
	Statutory dues	1,330.00
		<u>1,330.00</u>



Greenpanel Industries Limited

Notes to the standalone financial statements for the period 13 December 2017 to 31 March 2018

	Amount in ₹
9. Other expenses	
Incorporation expenses	2,13,800.00
Trade mark expenses	1,75,250.00
Legal and professional charges	1,08,855.00
General expenses	10,578.00
Payment to auditors	11,000.00
	5,19,483.00
(i) Payment to auditors	
As auditors:	
- Statutory audit	11,000.00
	11,000.00
10. Earnings per share	
Basic and diluted earnings per share	
(i) Loss for the period, attributable to the equity shareholders	(5,19,483.00)
(ii) Weighted average number of equity shares	
- Number of equity shares at the beginning of the period	-
- Number of equity shares allotted on 10 January 2018	10,00,000.00
- Number of equity shares at the end of the period	10,00,000.00
	10,00,000.00
Weighted average number of equity shares	10,00,000.00
Basic and diluted earnings per share (₹) [(i)/(ii)]	(0.52)
11. Related party disclosure	
a) Related parties where control exists	
Holding company - Greenply Industries Limited	
b) Related party transactions	
Equity share capital received	10,00,000.00
	10,00,000.00
12. The Company having been incorporated on 13 December 2017, the Statement of Profit & Loss and cash flow has been prepared since that date and as such, in the financial statements, the comparative figures for the previous period are not given.	

As per our report of even date attached
For **S. P. SHAW & CO.**
Chartered Accountants
Firm Registration number: 314229E


S. P. Shaw
Partner
Membership No: 051927



For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272


Shiv Prakash Mittal
Director
(DIN : 00237242)


Rajesh Mittal
Director
(DIN : 00240900)

Place : Kolkata
Dated : 7 May 2018

Place : Kolkata
Dated : 7 May 2018

B S R & Co. LLP

Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4296

Limited Review Report on Unaudited Standalone Financial Results of Greenply Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF GREENPLY INDUSTRIES LIMITED

We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Greenply Industries Limited ("the Company") for the quarter ended 30 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership Number: 055757



Place: Kolkata

Date: 12 November 2018

B S R & Co. is a partnership firm with Registration No. BSR12231 converted into B S R & Co. LLP is Limited Liability Partnership with LLP Registration No. AAB-B1311 with effect from October 16, 2013.

Registered Office:
6th Floor, Lodha Crescent
Ajanta Mile Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011



Greenply Industries Limited
 Registered Office: Makum Road, Timukia, Assam - 786 125
 Corporate Office: 'Madgul Lunge', 6th Floor, 23 Cheela Central Road, Kolkata - 700 027
 Corporate Identity Number: L20211AS1990PLC003484
 Phone: +91 33 3051 5000 Fax: +91 33 3051 5010
 Website: www.greenply.com E-mail: kolkata@greenply.com

(₹ in Lakhs)

Statement of Unaudited Standalone Financial Results for the quarter and six months ended 30 September 2018							
Sr. No.	Particulars	Three months ended 30.09.2018	Previous Three months ended 30.06.2018	Corresponding Three months ended 30.09.2017 in the previous year	Year to date figures for the current period ended 30.09.2018	Year to date figures for the previous period ended 30.09.2017	Previous year ended 31.05.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income						
	a) Revenue from operations	44,830.69	40,488.27	44,609.74	85,318.96	86,770.92	1,70,413.55
	b) Other income	273.36	183.55	100.24	456.91	152.62	378.20
	Total Income	45,104.05	40,671.82	44,709.98	85,775.87	86,923.54	1,70,791.75
2.	Expenses						
	a) Cost of materials consumed	19,556.11	19,249.83	15,533.52	38,805.92	32,211.50	63,961.24
	b) Purchase of stock-in-trade	7,802.16	6,338.99	5,541.97	14,141.06	11,826.01	26,253.78
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,979.31)	(3,656.52)	2,555.85	(6,635.85)	(96.98)	(1,809.31)
	d) Employee benefits expense	5,429.71	5,084.27	4,776.62	10,513.98	9,428.41	18,570.24
	e) Finance costs	3,350.58	386.12	229.91	2,636.70	557.61	947.23
	f) Depreciation and amortisation expense	1,726.31	1,186.83	1,137.41	2,912.34	2,323.86	4,481.41
	g) Excise duty expense	-	-	-	-	2,376.99	2,376.99
	h) Other expenses	10,859.19	8,881.94	9,827.85	19,741.13	19,028.49	37,140.08
	Total Expenses	44,744.75	37,370.55	39,692.33	82,115.30	77,656.79	1,51,871.66
3.	Profit before exceptional items and tax (1-2)	359.30	3,301.27	5,107.65	3,660.57	9,266.75	18,920.09
4.	Exceptional items	-	-	-	-	-	-
5.	Profit before tax (3+4)	359.30	3,301.27	5,107.65	3,660.57	9,266.75	18,920.09
6.	Tax expense						
	a) Current tax	34.12	795.63	1,201.09	829.75	2,097.42	4,065.61
	b) Deferred tax	(1,106.89)	123.58	268.67	(977.31)	468.35	1,285.02
	Total tax expense	(1,066.77)	919.21	1,469.76	(147.56)	2,565.77	5,350.63
7.	Net Profit after tax (5-6)	1,426.07	2,382.06	3,637.89	3,808.13	6,700.98	13,569.46
8.	Other Comprehensive Income (net of tax) Items that will not be reclassified subsequently to profit or loss	29.85	29.85	118.80	59.70	270.00	119.41
9.	Total Comprehensive Income for the period (7+8)	1,455.92	2,411.91	3,756.69	3,867.83	6,970.98	13,688.87
10.	Paid-up equity share capital (Face value ₹ 1/- each)	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27	1,226.27
11.	Other equity						90,379.11
12.	Earnings per equity share (of ₹ 1/- each)						
	a) Basic (₹)	1.17*	1.94*	2.96*	3.11*	5.46*	11.07
	b) Diluted (₹)	1.17*	1.94*	2.96*	3.11*	5.46*	11.07

* Not annualised



For GREENPLY INDUSTRIES LIMITED

 SHOBHAN MITTAL
 Managing Director & CEO



Greenply Industries Limited
 Registered Office: Makum Road, Tinoukha, Assam - 786 125
 Corporate Office: 'Madgal Lounge', 6th Floor, 23 Chetia Central Road, Kolkata - 700 027
 Corporate Identity Number: L2021AN1990PLC003484
 Phone: +91 33 3051 5000 Fax: +91 33 3051 5010
 Website: www.greenply.com E-mail: kolkata@greenply.com

(₹ in Lakhs)

Segment wise Revenue, Results, Assets and Liabilities for the quarter and six months ended 30th September 2018							
Sr. No.	Particulars	Three months ended 30.09.2018	Previous Three months ended 30.09.2018	Corresponding Three months ended 30.09.2017 in the previous year	Year to date figures for the current period ended 30.09.2018	Year to date figures for the previous period ended 30.09.2017	Previous year ended 31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Segment Revenue						
	a) Plywood and allied products	35,685.20	30,805.33	31,924.78	66,490.33	60,763.09	1,20,320.09
	b) Medium density fibreboards and allied products	9,042.05	9,456.77	12,178.86	18,498.82	25,231.57	48,788.38
	c) Others	103.44	238.37	506.10	329.81	777.46	1,365.08
	Total (a+b+c)	44,830.69	40,498.27	44,609.74	85,318.96	86,770.92	1,70,413.55
	Less: Intra segment revenue	-	-	-	-	-	-
	Total Revenue from Operations	44,830.69	40,498.27	44,609.74	85,318.96	86,770.92	1,70,413.55
2.	Segment Result						
	a) Plywood and allied products	3,635.17	3,010.03	3,702.81	6,645.20	6,371.77	11,462.24
	b) Medium density fibreboards and allied products	(564.93)	1,604.77	2,940.12	1,039.34	3,915.76	12,358.63
	c) Others	(42.15)	(580.54)	(189.13)	(728.69)	(299.08)	(803.44)
	Total (a+b+c)	3,028.09	3,928.26	6,453.80	6,956.35	11,988.49	23,617.43
	Less: (i) Finance costs	2,350.58	286.12	229.91	2,636.70	557.61	947.23
	(ii) Other unallowable expenditure net of unallocable income	318.21	340.87	1,116.24	659.88	2,164.13	3,730.13
	Total Profit before Tax	359.30	3,301.27	5,107.65	3,660.57	9,266.75	18,920.09
3.	Segment Assets						
	a) Plywood and allied products	80,894.62	76,452.79	75,365.39	80,894.62	75,365.39	77,968.34
	b) Medium density fibreboards and allied products	1,32,004.83	1,29,770.82	96,881.57	1,32,004.83	96,881.57	1,19,543.69
	c) Others	1,845.74	1,489.13	1,694.35	1,845.74	1,694.35	1,735.75
	d) Unallocated	7,084.55	6,880.66	6,650.95	7,084.55	6,650.95	6,399.01
	Total segment assets	2,21,829.74	2,14,993.40	1,80,592.26	2,21,829.74	1,80,592.26	2,05,646.79
4.	Segment Liabilities						
	a) Plywood and allied products	47,781.26	43,828.79	40,924.34	47,781.26	40,924.34	45,671.44
	b) Medium density fibreboards and allied products	74,144.05	68,727.54	46,789.48	74,144.05	46,789.48	61,543.73
	c) Others	1,651.80	368.80	1,710.53	1,651.80	1,710.53	405.02
	d) Unallocated	3,766.42	8,210.98	6,380.42	3,766.42	6,380.42	6,521.22
	Total segment liabilities	1,27,343.53	1,21,076.11	95,804.77	1,27,343.53	95,804.77	1,14,141.41



For GREENPLY INDUSTRIES LIMITED

(Signature)
 SROBHAN MITTAL
 Jt. Managing Director & CEO



Greenply Industries Limited
Registered Office: Mahan Road, Tinahia, Assam - 786 125
Corporate Office: 'Madgal Lounge', 6th Floor, 23 Chera Central Road, Kolkata - 700 027
Corporate Identity Number: L20211AS1996PLC003484
Phone: +91 33 3051 5000 Fax: +91 33 3051 5010
Website: www.greenply.com E-mail: kolkata@greenply.com

(₹ in Lakhs)

Sr. No.	Particulars	Statement of Assets and Liabilities	
		Standalone	
		As at 30.09.2018 (Unaudited)	As at 31.03.2018 (Audited)
A.	ASSETS		
1.	Non-current assets		
	(a) Property, plant and equipment	1,23,069.06	47,709.67
	(b) Capital work-in-progress	5,248.50	77,040.12
	(c) Other intangible assets	547.61	587.95
	(d) Financial assets		
	i) Investments	8,289.83	7,636.61
	ii) Loans	3,853.97	2,809.43
	iii) Other financial assets	3,764.53	2,019.39
	(e) Non-current tax assets	185.88	153.40
	(f) Other non-current assets	6,018.75	5,766.29
	Total non-current assets	1,50,978.13	1,43,792.95
2.	Current assets		
	(a) Inventories	28,057.38	21,496.72
	(b) Financial assets		
	i) Trade receivables	30,379.54	28,439.92
	ii) Cash and cash equivalents	1,409.73	2,964.55
	iii) Bank balances other than cash and cash equivalents	59.09	35.36
	iv) Loans	524.36	138.47
	v) Derivatives	279.86	131.21
	vi) Other financial assets	2,618.60	1,946.36
	(c) Other current assets	7,523.05	6,701.22
	Total current assets	70,851.61	61,873.84
	TOTAL ASSETS	2,21,829.74	2,05,666.79
B.	EQUITY AND LIABILITIES		
1.	Equity		
	(a) Equity share capital	1,226.27	1,226.27
	(b) Other equity	93,259.94	90,279.11
	Total equity	94,486.21	91,505.38
2.	Non-current liabilities		
	(a) Financial liabilities		
	i) Borrowings	54,976.84	45,910.71
	ii) Other financial liabilities	2,724.18	2,820.75
	(b) Provisions	2,419.30	2,184.79
	(c) Deferred tax liabilities (net)	1,499.95	2,645.19
	(d) Other non-current Liabilities	4,845.05	4,991.70
	Total non-current liabilities	66,465.31	58,553.14
3.	Current Liabilities		
	(a) Financial liabilities		
	i) Borrowings	16,107.14	16,847.86
	ii) Trade payables	29,797.88	21,101.22
	iii) Other financial liabilities	9,130.90	11,000.97
	(b) Other current liabilities	5,172.47	5,368.40
	(c) Provisions	469.82	469.83
	Total current liabilities	60,678.21	55,588.27
	TOTAL EQUITY AND LIABILITIES	2,21,829.74	2,05,666.79



For GREENPLY INDUSTRIES LIMITED

SHOBHAN MITTAL
Jt. Managing Director & CEO



Greenply Industries Limited
Registered Office: Mahul Road, Titania, Assam - 786 125
Corporate Office: 'Madgul Lounge', 6th Floor, 23 Chetla Central Road, Kolkata - 700 017
Corporate Identity Number: L20211AS1990PLC003484
Phone: +91 33 3051 5000 Fax: +91 33 3051 5010
Website: www.greenply.com E-mail: kolkata@greenply.com

Notes:

1. The above Unaudited Standalone Financial Results, Segment Results and Statement of Assets and Liabilities have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12 November 2018. The Limited Review for the quarter and six months ended 30 September 2018 has been carried out by the Statutory Auditors, as required under Regulation 53 of SEBI (LODR) Regulation, 2015.
2. On 1 July 2018, the Company has started commercial production from its newly set-up Medium Density Fibreboards (MDF) Plant in Andhra Pradesh. Government of Andhra Pradesh has extended certain incentives to the Company, under Industrial Development Policy 2015-2020, which are in the nature of government grants and accordingly applicable incentives as on 30 September 2018 have been accounted as per Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance". The Company is also eligible for certain income tax benefits under Section 32AD and 32 (1)(iii) of the Income Tax Act, 1961, which has been appropriately accounted for in the accompanying results.
3. Other expenses includes foreign exchange fluctuation loss of ₹ 789.84 lakhs for the quarter ended 30 September 2018, ₹ 276.01 lakhs for the quarter ended 30 June 2018, ₹ 1,065.85 lakhs for the six months ended 30 September 2018, ₹ 561.53 lakhs for the quarter ended 30 September 2017, ₹ 1,419.06 lakhs for the six months ended 30 September 2017 and ₹ Nil for the year ended 31 March 2018, in respect of long-term borrowings for newly set-up Medium Density Fibreboards (MDF) Plant in Andhra Pradesh.
4. Finance costs includes foreign exchange fluctuation loss of ₹ 1,418.25 lakhs for the quarter ended 30 September 2018, ₹ Nil for the quarter ended 30 June 2018, ₹ 1,418.25 lakhs for the six months ended 30 September 2018, ₹ Nil for the quarter ended 30 September 2017, ₹ Nil for the six months ended 30 September 2017 and ₹ Nil for the year ended 31 March 2018, in respect of long-term borrowings for newly set-up Medium Density Fibreboards (MDF) Plant in Andhra Pradesh.
5. Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas excise duty formed part of Expenses in unresponsive previous period/year. Accordingly, the revenue from operations and Expenses for the six months ended 30 September 2018 are not comparable with the previous corresponding period/year presented in the results.
6. Effective from 1 April 2018, the Company has changed its composition of operating segments. The product 'PVC Board' has been realigned from segment 'Others' to 'Plywood and allied products' as per the Chief Operating Decision Maker (CODM) decision to review the segment accordingly. Previous periods/year figures have been regrouped to reflect this change.
7. Based on the guiding principles given in Ind AS (08) on 'Operating Segments', the Company's business activity falls within three operating segment, namely:
 - a) Plywood and allied products
 - b) Medium density fibreboards and allied products
 - c) Others (Wallpaper, Solid Surface, etc.)
8. The Board of Directors of the Company in its meeting held on 30 May 2018, has considered and approved a draft Composite Scheme of Arrangement ('Scheme') between Greenply Industries Limited ('the Company') and Greenpanel Industries Limited ('Greenpanel'), a wholly owned subsidiary of the Company, to demerge the Medium Density Fibreboards and allied products business of Chittoor unit, Andhra Pradesh and Medium Density Fibreboards, Plywood and allied products business of Panmagar unit, Uttarakhand, branches/administrative and marketing offices of the above respective businesses of the Company (the transferred business) into Greenpanel, subject to necessary approvals from the concerned authorities, with effect from 1 April 2018 ('Appointed Date'). The Company is in the process of obtaining approvals from the concerned authorities. Pending such necessary regulatory approvals and other compliances, no adjustments have been made in the books of account and in the accompanying results.
9. The figures of the previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter and six months ended 30 September 2018.

Place: Kolkata
Dated: 12 November 2018



Sukhman Mittal
Joint Managing Director & CEO
(DIN : 00347517)

Greenpanel Industries Limited
Standalone Balance Sheet as at 30 September 2018

	Note	Amount in ₹ 30 September 2018	Amount in ₹ 31 March 2018
Assets			
Current assets			
Financial assets			
Advance Income Tax		4,00,00,000.00	-
GST receivable		19,165.00	-
Cash and cash equivalents	1	13,06,223.00	5,06,872.00
Total current assets		4,13,25,388.00	5,06,872.00
Total assets		4,13,25,388.00	5,06,872.00
Equity and liabilities			
Equity			
Equity share capital	2	10,00,000.00	10,00,000.00
Other equity	3	(6,74,612.00)	(5,19,483.00)
Total equity		3,25,388.00	4,80,517.00
Liabilities			
Current liabilities			
Financial liabilities			
Loan from Greenply Industries Limited		4,10,00,000.00	-
Trade payables	4	-	25,025.00
Other current liabilities	5	-	1,330.00
Total current liabilities		4,10,00,000.00	26,355.00
Total equity and liabilities		4,13,25,388.00	5,06,872.00

For Greenpanel Industries Limited



Shiv Prakash Mittal
 Director
 (DIN : 00237242)

Greenpanel Industries Limited
Standalone Statement of Profit and Loss for the period 1 April 2018 to 30 September 2018

	Note	Period ended 30 September 2018	Amount in ₹ Period ended 31 March 2018
Income			
Revenue from operations		-	-
Total income		-	-
Expenses			
Other expenses	6	1,55,129.00	5,19,483.00
Total expenses		1,55,129.00	5,19,483.00
Profit before tax		(1,55,129.00)	(5,19,483.00)
Tax expense		-	-
Profit for the period		(1,55,129.00)	(5,19,483.00)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,55,129.00)	(5,19,483.00)

For Greenpanel Industries Limited


 Shiv Prakash Mittal
 Director
 (DIN : 00237242)

Greenpanel Industries Limited

Notes to the standalone financial statements for the period 1 April 2018 to 30 September 2018

	<u>30 September 2018</u>	<u>31 March 2018</u>
1. Cash and cash equivalents		Amount in ₹
Balances with bank	12,85,247.00	4,84,072.00
Cash on hand	20,976.00	22,800.00
	<u>13,06,223.00</u>	<u>5,06,872.00</u>
2. Equity share capital		Amount in ₹
Authorised		
10,000,000 equity shares of ₹ 1 each	<u>1,00,00,000.00</u>	<u>1,00,00,000.00</u>
Issued, Subscribed and Fully Paid up		
1,000,000 equity shares of ₹ 1 each	<u>10,00,000.00</u>	<u>10,00,000.00</u>
3. Other equity		Amount in ₹
Retained earnings		
At the commencement of the period	(5,19,483.00)	-
Less: Loss for the period	(1,55,129.00)	(5,19,483.00)
	<u>(6,74,612.00)</u>	<u>(5,19,483.00)</u>
4. Trade payables		Amount in ₹
Dues to other than micro and small enterprises	-	25,025.00
	<u>-</u>	<u>25,025.00</u>
5. Other current liabilities		Amount in ₹
Statutory dues	-	1,330.00
	<u>-</u>	<u>1,330.00</u>
6. Other expenses	Amount in ₹	Amount in ₹
Incorporation expenses	-	2,13,800.00
Trade mark expenses	34,000.00	1,75,250.00
Legal and professional charges	1,08,750.00	1,08,855.00
General expenses	12,379.00	10,578.00
Payment to auditors	-	11,000.00
	<u>1,55,129.00</u>	<u>5,19,483.00</u>

For Greenpanel Industries Limited



Shiv Prakash Mittal
Director
(DIN : 00237242)

1007
 Date of Presentation
 of Application for Order 21/12/18
 No. of Pages 7 Pages

Report No. NATIONAL COMPANY LAW TRIBUNAL
 Total Nil BENCH AT GUWAHATI
 Date of Receipt Nil
 Date of Order Nil CA (C.A.A.)/09 /GB/ 2018
 Date of Preparation of copy Nil

Date of Delivery of Copy Under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013;

In the matter of:

- 1) Greenply Industries LimitedFirst Applicant Company
 2) Greenpanel Industries LimitedSecond Applicant Company

Order delivered on 12th December, 2018

Coram:

Present: Hon'ble Mr. Justice P.K. Saikia, Member (J)

For the applicant companies : Mr. Hemant Sethi, Advocate
 Mr. Palash Moni Talukdar, Advocate

ORDER

- The Counsel for the Applicants submits that the present Scheme is a Composite Scheme of Arrangement between Greenply Industries Limited ("**Demerged Company**") and Greenpanel Industries Limited ("**Resulting Company**") and their respective Shareholders and Creditors. The Second Applicant Company is 100% subsidiary of the First Applicant Company.
- The Counsel for the Applicants further submit that the First Applicant Company is, *inter-alia*, engaged in the business of manufacturing, marketing and trading of Plywood, Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Block-boards, Decorative Veneers, Veneers, Doors and allied products. The Second Applicant Company, being newly incorporated, is *inter alia* authorized by its Memorandum of Association to do business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products.

Page 1 of 7



3. The proposed demerger of the Demerged Undertaking envisaged in the Scheme is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Demerged Company and the Resulting Company:
- (i) *Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.*
 - (ii) *Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company.*
 - (iii) *Provide enhanced strategic flexibility in the operation of each of the aforementioned businesses.*
 - (iv) *Expanding the potential client / customer market for each business vertical.*
 - (v) *Access to various sources of funds and investments for the rapid growth of both the businesses.*
 - (vi) *Therefore, in view of the potential growth and profitability prospects, the Board of Directors of the Companies have proposed a business reorganisation for demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with the Resulting Company under this Scheme under the provisions of Section 231 to 232 read with Section 66 and other applicable provisions of the Act.*
 - (vii) *This Scheme is expected to be in the beneficial interest of the shareholders and creditors of both the Companies. This Scheme is not expected to be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.*
4. The meeting of the Equity Shareholders of the First Applicant Company be convened and held at its Registered Office at Makum Road, Tinsukia-786125, Assam on 4th day of February, 2019 at 10:00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and Creditors.
5. The First Applicant Company shall also give an option to the shareholders to vote through E-voting.
6. The meeting of the Creditors of the First Applicant Company be convened and held at its Registered Office at Makum Road, Tinsukia-786125, Assam on 4th day of February, 2019 at

11:30 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and Creditors.

7. That atleast one month before the said Meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held as aforesaid, a notice convening the said Meetings at the place, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 notified on 14th December 2016 and circular issued by the SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and the prescribed Form of Proxy, shall be sent by Hand delivery / Courier / Registered Post / Speed Post or through Email (to those shareholders and Creditors whose email addresses are duly registered with the First Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders and Creditors of the First Applicant Company, at their last known address or email addresses as per the records of the First Applicant Company.
8. That atleast one month before the meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meetings as aforesaid be published and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and circular issued by the SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and the Form of Proxy can be obtained free of charge at the Registered Office of the First Applicant Company as aforesaid and / or at the office of its Advocates, at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar, Guwahati-781001.



9. That the Notice of the Meetings of the Equity Shareholders and Creditors shall be advertised in two local newspapers viz. "Assam Tribune" in English language and translation thereof in "Dainik Janambhumi" in Assamese Language, circulated in the State of Assam and also in "Business Standard" (All English Edition) not less than 30 days before the date fixed for the meetings.
10. That Mr. Shiv Prakash Mittal, Executive Chairman of the First Applicant Company and failing him Mr. Susil Kumar Pal, Independent Director of the First Applicant Company shall be the Chairman of the aforesaid meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held at its Registered Office at Makum Road, Tinsukia-786125, Assam, India, on 4th day of February, 2019 at 10:00 a.m. and 11:30 a.m. respectively or any adjournment or adjournments thereof.
11. That the Chairman appointed for the aforesaid meetings of the Equity Shareholders and Creditors of the First Applicant Company to issue the advertisements and send out the notices of the meetings referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
12. That the quorum of the aforesaid meeting of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013. The Quorum fixed for the meeting of Creditors will be 5 Creditors present in person or through proxy.
13. In case if the Quorum as noted above is not present at the meetings, then the meetings shall be adjourned by half-an-hour, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of quorum, valid proxies will also be considered, if the proxy in the prescribed form, duly signed by the persons entitled to attend and vote at the meeting is filed with the Registered Office of the First Applicant company atleast 48 hours before the meetings.

14. That voting by proxy be permitted, provided that a proxy in the prescribed form duly signed by the person entitled to attend and vote at the meetings, are filed with the First Applicant Company at its Registered Office at Makum Road, Tinsukia 786125, Assam not later than 48 hours before the aforesaid meetings.
15. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the Meeting shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.
16. That the value of the Creditors shall be in accordance with the books of Account of the First Applicant Company and where the amount is disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
17. That Dilip Kumar Sarawagi, of DKS & Co. (ACS 13020 C.P. NO. 3090), Practicing Company Secretaries, is hereby appointed as Scrutinizers of the aforesaid meetings of the Equity shareholders and Creditors of the First Applicant Company proposed to be held at its Registered Office at Makum Road, Tinsukia-786125, Assam, India, on 4th day of February, 2019 at 10:00 a.m. and 11:30 a.m. respectively and his remuneration is fixed as Rs. 25,000/- excluding taxes, for each meetings of Equity Shareholders and Creditors.
18. That the Chairman of the aforesaid meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
19. That the meeting of the Equity Shareholders of the Second Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and

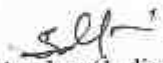
Creditors is dispensed with in view of consent affidavits given by all the Equity Shareholders of the Second Applicant Company as per their Original Consent Affidavits annexed as Annexures P1 to P7 to the Company Application.

20. That the meeting of the Creditor of the Second Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and Creditors is dispensed with in view of consent affidavit given by the Sole Creditor of the Second Applicant Company as per their Original Consent Affidavit annexed as Annexure- O to the Company Application.
21. The First Applicant Company is directed to serve notices along with copy of scheme upon:-
(i) concerned Income Tax Authority within whose jurisdiction the First Applicant Company's assessments are made i.e. ACIT Circle- Tinsukia, AAYAKAR BHAWAN, Bordoloi Nagar, TINSUKIA (ASSAM) PIN: 786125, having PAN NO: AAACG7284R (ii) the Central Government through the office of the Regional Director, Ministry of Corporate Affairs, Eastern Region, Shillong, (iii) Registrar of Companies, Ministry of Corporate Affairs, Shillong, (iv) BSE Limited (BSE) (vi) National Stock Exchange of India Limited (NSE), with a direction that they may submit their representations, if any, within a period of thirty (30) days from the date of receipt of such notice to the Tribunal and copy of such representations shall simultaneously be served upon the First Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
22. The Second Applicant Company is directed to serve notices along with copy of scheme upon:-
(i) concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessments are made i.e. ACIT Circle- Tinsukia, AAYAKAR BHAWAN, Bordoloi Nagar, TINSUKIA (ASSAM) PIN: 786125, having PAN NO: AAHCG1211B (ii) the Central Government through the office of the Regional Director, Ministry of Corporate Affairs, Eastern



Region, Shillong, (iii) Registrar of Companies, Ministry of Corporate Affairs, Shillong, with a direction that they may submit their representations, if any, within a period of thirty (30) days from the date of receipt of such notice to the Tribunal and copy of such representations shall simultaneously be served upon the Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

23. The First Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the Shareholders and Creditors, publication of notices in newspapers and service of notices to the regulatory authorities and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with .
24. The Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the regulatory authorities and do report to this Tribunal that the directions regarding the issue of notices have been duly complied.
25. Certified copies of this order, if applied for, be supplied to the parties upon compliance of all requisite formalities.


Member (Judicial)
National Company Law Tribunal
Guwahati Bench, Guwahati

Ashish



FREE OF COST COPY

CERTIFIED TRUE COPY

National Company Law Tribunal
Guwahati Bench
By: No. 1007/NCLT/G.D
Date: 21/12/18

Page 7 of 7

GREENPANEL INDUSTRIES LIMITED

Statement showing Shareholding Pattern of the Promoter and Promoter Group

Category	Category & name of the Shareholders	PRE DEMERGER		POST DEMERGER	
		Number of Shareholders	No. of fully paid up equity shares held	Number of Shareholders	No. of fully paid up equity shares held
	(I)	(II)	(III)	(IV)	(V)
(A)	Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/ Hindu Undivided Family	6	6	7	17457180
1	RAJESH MITTAL	1	1	1	3079900
2	SHOBHAN MITTAL	1	1	1	739000
3	SHIV PRAKASH MITTAL AND SHOBHAN MITTAL ON BEHALF OF TRADE COMBINES, PARTNERSHIP FIRM	0	0	1	9275330
	SHIV PRAKASH MITTAL AND SHOBHAN MITTAL ON BEHALF OF TRADE COMBINES, PARTNERSHIP FIRM	0	0	1	2427050
4	SANIDHYA MITTAL	1	1	1	90000
5	SANTOSH MITTAL	1	1	1	1165900
6	KARUNA MITTAL	0	0	1	680000
7	SHIV PRAKASH MITTAL	1	1	0	0
8	CHITWAN MITTAL	1	1	0	0
9	MASTER ADITYA MITTAL	0	0	0	0
10	MITTALGREEN PLANTATIONS LLP	0	0	0	0
11	RAJESH MITTAL & SONS, HUF	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0
(d)	Any other (Bodies Corporate)	1	999994	3	45117820
1	PRIME HOLDINGS PRIVATE LIMITED	0	0	1	12042800
2	S. M. MANAGEMENT PRIVATE LIMITED	0	0	1	31626965
3	VANASHREE PROPERTIES PRIVATE LIMITED	0	0	1	1448055
4	EDUCATIONAL INNOVATIONS PVT. LTD.	0	0	0	0
5	NIRANJAN INFRASTRUCTURE PVT. LTD.	0	0	0	0
6	RS HOMCON LIMITED	0	0	0	0
7	R. M. SAFEINVEST PRIVATE LIMITED	0	0	0	0
8	SHOWAN INVESTMENT PRIVATE LIMITED	0	0	0	0

9	BRIJBHUMI MERCHANTS PRIVATE LIMITED	0	0	0	0
10	BRIJBHUMI TRADEVIN PRIVATE LIMITED	0	0	0	0
11	MASTERMIND SHOPPERS PRIVATE LIMITED	0	0	0	0
12	DHOLKA PLYWOOD INDUSTRIES PVT. LTD.	0	0	0	0
13	BLUESKY PROJECTS PVT. LTD.	0	0	0	0
14	TRADE COMBINES PTE. LTD., INCORPORATED IN SINGAPORE	0	0	0	0
15	RKS FAMILY FOUNDATION	0	0	0	0
16	GREENPLY INDUSTRIES LIMITED	1	999994	0	0
Sub-Total (A) (1)		7	1000000	10	62575000
(2) Foreign					
(a)	Individuals (Non-Resident individuals/ Foreign Individuals)	0	0	0	0
(b)	Government	0	0	0	0
(c)	Institutions	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0
(e)	Any other (specify)	0	0	0	0
Sub-Total (A) (2)		0	0	0	0
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		7	1000000	10	62575000

Statement showing Shareholding Pattern of the Public shareholder

Category	Category & name of the Shareholders (I)	PRE DEMERGER		POST DEMERGER	
		Number of Shareholders (II)	No.of fully paid up equity shares held (III)	Number of Shareholders (IV)	No.of fully paid up equity shares held (V)
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds/ UTI	0	0	25	23130428
	HDFC TRUSTEE COMPANY LTD.	0	0	1	7527000
	SBI FMCG FUND	0	0	1	2216280
	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITY FUND	0	0	1	1806000
	IDFC STERLING VALUE FUND	0	0	1	1650000
	SBI CONSUMPTION OPPORTUNITIES FUND	0	0	1	1500000
	SBI MAGNUM GLOBAL FUND	0	0	1	1327344
	TATA INDIA CONSUMER FUND	0	0	1	1255000
(b)	Venture Capital Funds	0	0	0	0

(c)	Alternate Investment Funds	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0
(e)	Foreign Portfolio Investors	0	0	41	14303421
	JWALAMUKHI INVESTMENT HOLDINGS	0	0	1	11884420
(f)	Financial Institutions/ Banks	0	0	2	83977
(g)	Insurance Companies	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0
(i)	Any Other	0	0	0	0
	Foreign Institutional Investors	0	0	0	0
	Sub-Total (B) (1)	0	0	68	37517826
(2)	Central Government/ State Government(s)/ President of India	0	0	0	0
	Sub-Total (B) (2)	0	0	0	0
(3)	Non-Institutions				
(a)	Individuals - i. Individual shareholders holding nominal share capital upto Rs.2 lakh	0	0	23632	7853576
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	0	0	10	6752615
(b)	NBFCs registered with RBI	0	0	0	0
(c)	Employee Trusts	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0
(e)	Any Other:	0	0	1311	7928378
	CORPORATE BODY	0	0	579	3000154
	CLEARING MEMBER	0	0	82	100351
	NRI - NON-REPATRIABLE	0	0	195	202103
	NRI - REPATRIABLE	0	0	452	947690
	FOREIGN COMPANY	0	0	1	3639875
	FOREIGN COMPANY - WESTBRIDGE CROSSOVER FUND, LLC	0	0	1	3639875
	GREENPLY INDUSTRIES LIMITED-UNCLAIMED SUSPENSE ACCOUNT	0	0	1	8020

INVESTOR EDUCATION AND PROTECTION FUND	0	0	1	30185
TRUST	0	0	0	0
HUF	0	0	0	0
Sub-Total (B)(3)	0	0	24953	22534569
Total Public Shareholding B = (B)(1)+(B)(2)+(B)(3)	0	0	25021	60052395

*Voting rights for the ordinary shares have been declared in class X

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): NIL

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.: As on November 16, 2018, 8020 equity shares of the Company held by 6 shareholders are unclaimed and held in "Greenply Industries Limited - Unclaimed Suspense Account". The voting rights on the same shall remain frozen till the rightful owner of the said shares claims such shares. However, while calculating the total voting rights, the voting rights of shares in the said suspense account have not been excluded.

30185 equity shares of the Company were transferred to the Investor Education and Protection Fund. The voting rights on the same shares shall remain frozen till the rightful owner of the said shares claims such shares. However, while calculating the total voting rights, the voting rights of shares in the Investor Education and Protection Fund have not been excluded.

GREENPLY INDUSTRIES LIMITED

Statement showing Shareholding Pattern of the Promoter and Promoter Group					
Category	Category & name of the Shareholders	PRE DEMERGER		POST DEMERGER	
		Number of Shareholders	No.of fully paid up equity shares held	Number of Shareholders	No.of fully paid up equity shares held
	(I)	(II)	(III)	(IV)	(V)
(A)	Promoter and Promoter Group				
(I)	Indian				
(a)	Individuals/ Hindu Undivided Family	7	17457180	7	17457180
1	RAJESH MITTAL	1	3079900	1	3079900
2	SHOBHAN MITTAL	1	739000	1	739000
3	SHIV PRAKASH MITTAL AND SHOBHAN MITTAL ON BEHALF OF TRADE COMBINES, PARTNERSHIP FIRM	1	9275330	1	9275330
	SHIV PRAKASH MITTAL AND SHOBHAN MITTAL ON BEHALF OF TRADE COMBINES, PARTNERSHIP FIRM	1	2427050	1	2427050
4	SANIDHYA MITTAL	1	90000	1	90000
5	SANTOSH MITTAL	1	1165900	1	1165900
6	KARUNA MITTAL	1	680000	1	680000
7	SHIV PRAKASH MITTAL	0	0	0	0
8	CHITWAN MITTAL	0	0	0	0
9	MASTER ADITYA MITTAL	0	0	0	0
10	MITTALGREEN PLANTATIONS LLP	0	0	0	0
11	RAJESH MITTAL & SONS, HUF	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0
(d)	Any other (Bodies Corporate)	3	45117820	3	45117820
1	PRIME HOLDINGS PRIVATE LIMITED	1	12042800	1	12042800
2	S. M. MANAGEMENT PRIVATE LIMITED	1	31626965	1	31626965
3	VANASHREE PROPERTIES PRIVATE LIMITED	1	1448055	1	1448055
4	EDUCATIONAL INNOVATIONS PVT. LTD.	0	0	0	0
5	NIRANJAN INFRASTRUCTURE PVT. LTD.	0	0	0	0
6	RS HOMCON LIMITED	0	0	0	0
7	R. M. SAFEINVEST PRIVATE LIMITED	0	0	0	0
8	SHOWAN INVESTMENT PRIVATE LIMITED	0	0	0	0

9	BRIJBHUMI MERCHANTS PRIVATE LIMITED	0	0	0	0
10	BRIJBHUMI TRADEVIN PRIVATE LIMITED	0	0	0	0
11	MASTERMIND SHOPPERS PRIVATE LIMITED	0	0	0	0
12	DHOLKA PLYWOOD INDUSTRIES PVT. LTD.	0	0	0	0
13	BLUESKY PROJECTS PVT. LTD.	0	0	0	0
14	TRADE COMBINES PTE. LTD., INCORPORATED IN SINGAPORE	0	0	0	0
15	RKS FAMILY FOUNDATION	0	0	0	0
Sub-Total (A) (1)		10	62575000	10	62575000
(2) Foreign					
(a)	Individuals (Non-Resident individuals/ Foreign Individuals)	0	0	0	0
(b)	Government	0	0	0	0
(c)	Institutions	0	0	0	0
(d)	Foreign Protfolio Investor	0	0	0	0
(e)	Any other (specify)	0	0	0	0
Sub-Total (A) (2)		0	0	0	0
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		10	62575000	10	62575000
Statement showing Shareholding Pattern of the Public shareholder					
		PRE DEMERGER		POST DEMERGER	
Category	Category & name of the Shareholders (I)	Number of Shareholders (II)	No.of fully paid up equity shares held (III)	Number of Shareholders (IV)	No.of fully paid up equity shares held (V)
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds/ UTI	25	23130428	25	23130428
	HDFC TRUSTEE COMPANY LTD.	1	7527000	1	7527000
	SBI FMCG FUND	1	2216280	1	2216280
	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITY FUND	1	1806000	1	1806000
	IDFC STERLING VALUE FUND	1	1650000	1	1650000
	SBI CONSUMPTION OPPORTUNITIES FUND	1	1500000	1	1500000
	SBI MAGNUM GLOBAL FUND	1	1327344	1	1327344
	TATA INDIA CONSUMER FUND	1	1255000	1	1255000
(b)	Venture Capital Funds	0	0	0	0

(c)	Alternate Investment Funds	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0
(e)	Foreign Portfolio Investors	41	14303421	41	14303421
	JWALAMUKHI INVESTMENT HOLDINGS	1	11884420	1	11884420
(f)	Financial Institutions/ Banks	2	83977	2	83977
(g)	Insurance Companies	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0
(i)	Any Other	0	0	0	0
	Foreign Institutional Investors	0	0	0	0
	Sub-Total (B) (1)	68	37517826	68	37517826
(2)	Central Government/ State Government(s)/ President of India	0	0	0	0
	Sub-Total (B) (2)	0	0	0	0
(3)	Non-Institutions				
(a)	Individuals -				
	i. Individual shareholders holding nominal share capital upto Rs.2 lakh	23632	7853576	23632	7853576
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	10	6752615	10	6752615
(b)	NBFCs registered with RBI	0	0	0	0
(c)	Employee Trusts	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0
(e)	Any Other:	1311	7928378	1311	7928378
	CORPORATE BODY	579	3000154	579	3000154
	CLEARING MEMBER	82	100351	82	100351
	NRI - NON-REPATRIABLE	195	202103	195	202103
	NRI - REPATRIABLE	452	947690	452	947690
	FOREIGN COMPANY	1	3639875	1	3639875
	FOREIGN COMPANY - WESTBRIDGE CROSSOVER FUND, LLC	1	3639875	1	3639875
	GREENPLY INDUSTRIES LIMITED-UNCLAIMED SUSPENSE ACCOUNT	1	8020	1	8020

INVESTOR EDUCATION AND PROTECTION FUND	1	30185	1	30185
TRUST	0	0	0	0
HUF	0	0	0	0
Sub-Total (B)(3)	24953	22534569	24953	22534569
Total Public Shareholding B = (B)(1)+(B)(2)+(B)(3)	25021	60052395	25021	60052395
*Voting rights for the ordinary shares have been declared in class X				
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): NIL				
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.: As on November 16, 2018, 8020 equity shares of the Company held by 6 shareholders are unclaimed and held in "Greenply Industries Limited - Unclaimed Suspense Account". The voting rights on the same shall remain frozen till the rightful owner of the said shares claims such shares. However, while calculating the total voting rights, the voting rights of shares in the said suspense account have not been excluded.				
30185 equity shares of the Company were transferred to the Investor Education and Protection Fund. The voting rights on the same shares shall remain frozen till the rightful owner of the said shares claims such shares. However, while calculating the total voting rights, the voting rights of shares in the Investor Education and Protection Fund have not been excluded.				

This is a disclosure document prepared in connection with the proposed Composite Scheme of Arrangement between Greenply Industries Limited (“Greenply”), Greenpanel Industries Limited (“Greenpanel/Company”), their respective shareholders and creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 (“Act”) (“Scheme”).

THIS DISCLOSURE DOCUMENT CONTAINS 5 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

You may download the Scheme and other relevant documents from the website of Greenply, BSE Limited and the National Stock Exchange of India Limited (“Stock Exchanges”) where the equity shares of Greenply are listed; viz: www.greenply.com; www.bseindia.com; and www.nseindia.com, respectively.

This disclosure document dated December 24, 2018 should be read together with the Scheme and the notice to the shareholders of Greenply in connection with the Scheme.

This disclosure document discloses applicable information of the unlisted entity i.e. Greenpanel Industries Limited, in compliance with SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the “SEBI Circular”) relating to the Scheme.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as prescribed thereunder, to the extent applicable.

GREENPANEL INDUSTRIES LIMITED

Registered Office	Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India
Corporate Office	Thapar House, 2 nd Floor, 163 S P Mukherjee Road, Kolkata – 700026
Contact Person	Mr. Banibrata Desarkar
E-mail	banibrata.desarkar@greenpanel.com
Telephone:	91 33 40840600
Website	www.greenpanel.com
CIN	U20100AS2017PLC018272
Statutory Auditor	M/s. S. S. Kothari Mehta & Co. (FRN: 000756N)

PROMOTER OF THE COMPANY

GREENPLY INDUSTRIES LIMITED (CIN: L20211AS1990PLC003484)

Greenply Industries Limited was originally incorporated as “Mittal Laminates Private Limited” on November 28, 1990 under the Companies Act, 1956 and was subsequently converted into a public limited company and the name was changed to Mittal Laminates Limited on November 1, 1994. Subsequently, the name was changed again to Greenply Industries Limited pursuant to a fresh certificate of incorporation dated January 17, 1996 issued by the Registrar of Companies, Shillong. The registered office of the company is located at Makum Road, Tinsukia, Assam, India, 786125. The company is in the business of manufacturing and marketing of a wide range of interior infrastructure product and is primarily engaged in the business of manufacturing of an array of wood-based panel products, which includes plywood, Medium Density Fibreboards(MDF) and allied products. The shares of the company are listed on the BSE Limited and National Stock Exchange of India Limited.

The Directors of Greenply Industries Limited are:

Shiv Prakash Mittal	Executive Director, Chairperson
Rajesh Mittal	Executive Director, Managing Director
Shobhan Mittal	Executive Director, Jt. Managing Director and CEO
Sanidhya Mittal	Executive Director
Vinod Kumar Kothari	Non-Executive Independent Director
Susil Kumar Pal	Non-Executive Independent Director
Anupam Kumar Mukerji	Non-Executive Independent Director
Sonali Bhagwati Dalal	Non-Executive Independent Director
Upendra Nath Challu	Non-Executive Independent Director.

DETAILS OF THE SCHEME

The Scheme provides for the transfer of the business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products from Greenply to Greenpanel, in consideration of issuance of shares by Greenpanel to the shareholders of Greenply. Greenpanel shall, for every 1 (one) fully paid – up equity share of INR 1 (Indian Rupee One) each of the Greenply, issue and allot to each member of the Greenply whose name appears in the register of members of the Greenply as on the Record Date (as set out in the Scheme), 1 (one) fully paid – up equity share of INR 1 (Indian Rupee One) each, in Greenpanel.

Subsequently, the shares issued by Greenpanel shall be listed on the Stock Exchanges, subject to compliance with applicable laws.

Group Companies

As per the audited financial statements of Greenpanel as on March 31, 2018, Greenply is a group company.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

OVERVIEW

Greenpanel was incorporated on December 13, 2017 under the Companies Act, 2013 as public limited company limited by shares. It is a wholly owned subsidiary of Greenply. Pursuant to the Scheme, Greenpanel shall operate the business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. The registered office of the Company is located at Makum Road, Tinsukia, Assam, India, 786125.

STRATEGY

Post the implementation of the Scheme, Greenpanel will have an annual capacity in MDF production of 5,40,000 CBM spread across 2 manufacturing units in Uttarakhand and Andhra Pradesh. The Company intends to market all its products under the “Greenpanel” brand both in the domestic and the international markets. Besides, it will have a robust distribution network of authorised dealers / stockists, retail touch points and marketing offices to ensure the widest marketing reach for its products.

BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Mr. Shiv Prakash Mittal	Non-executive Director	He is one of the promoters of Greenply Industries Limited and at present, the Executive Chairman of Greenply Industries Ltd and Chairman (non-executive) of Greenlam Industries Ltd.
2.	Mr. Rajesh Mittal	Non-executive Director	He is one of the promoters of Greenply Industries Limited and at present, the Managing Director of Greenply Industries Ltd. He has 28 years rich and diverse experience in the production, finance and marketing of plywood and allied products.
3.	Mr. Shobhan Mittal	Non-executive Director	Mr Shobhan Mittal, Jt. Managing Director & CEO of Greenply Industries Ltd., possesses more than 12 years experience in the plywood and MDF industry. He was instrumental in setting-up of the MDF Unit at Pantnagar, Uttarakhand as well as successfully streamlining the operations of the said Unit. Further, under the supervision of Mr. Shobhan Mittal, the said company has set-up its second MDF Unit in Routhu Suramala, Chittoor, Andhra Pradesh.
4.	Mr. Salil Kumar Bhandari	Independent Director	He is a Chartered Accountant and holds a Diploma in Business Management from the All India Council for Management Studies, Chennai. Mr. Bhandari, hold Directorship in several companies including Integrated Outsourcing Solutions Private Limited; HSIL Limited etc
5.	Ms. Sushmita Singha	Independent Director	Besides holding directorship in several companies and their committees, Ms. Sushmita Singha has also been actively involved in several social organisations and Government initiatives. Presently, Ms. Sushmita Singha is president of My Anchor Foundation and associated with BRICS Chamber of Commerce & Industry, Sapna NGO, INTACH etc. in various capacity.
6.	Mr. Mahesh Kr Jiwrajka	Independent Director	He is an Indian Forest Service, Maharashtra Cadre (retd.) and in his many years of experience, has handled various important issues dealing with various aspects of environment and was also member of the Central Empowered Committee and CAMPA constituted by the Hon'ble Supreme Court of India. Presently, Mr. Jiwrajka is the proprietor of SRDA Advisory Services, specializing in financial, legal and environment consultancy.

Shareholding Pattern

The shareholding pattern of the Company is:

<i>Particulars</i>	<i>Rupees (INR)</i>
CAPITAL:	
<i>Authorised:</i> 1,00,00,000 equity shares of INR 1.00 each	1,00,00,000
<i>Issued, Subscribed and Paid –up:</i> 10,00,000 equity shares of INR 1.00 each	10,00,000

Shareholder	No. of shares	Face value (Re.)	Rs.
Promoter & Promoter Group	10,00,000	1/-	10,00,000
Public	Nil	1/-	Nil
Total	10,00,000		10,00,000

AUDITED FINANCIALS

Standalone

Since Greenpanel was incorporated on December 13, 2017, the relevant information in respect of the audited financials has been provided only as on March 31, 2018.

Particulars	(For the period from 13.12.2017 to 31.03.2018) (in INR)
a) Total income from operations (net)	Nil
b) Net Profit/ (Loss) before tax and extraordinary items	(5,19,483)
c) Net Profit/ (Loss) after tax and extraordinary items	(5,19,483)
d) Equity Share Capital (10,00,000 Equity Shares of Re.1/- each)	10,00,000
e) Reserves and Surplus	(5,19,483)
f) Net Worth	4,80,517
g) Basic Earnings per share (INR)	(0.52)
h) Diluted Earnings per share (INR)	(0.52)
i) Return on net worth (%) i.e [c/f]	(108.11%)
j) Net asset value per share (INR) i.e [f/d]	0.48

Consolidated: Not applicable for Greenpanel

RISK FACTORS

INTERNAL RISKS:

1. As a manufacturing business, the success of Greenpanel's business depends on the supply of raw materials, primarily timber which is a scarce natural resources and subject to other risks such as availability and increase in pricing.
2. Any irregularities in plantation cycles domestically and/ or changes in government regulations in relation to raw material imports may reduce the availability of the relevant raw materials, resulting in increase in raw material cost.
3. The pricing strategy for the MDF boards in the domestic market depends on the pricing of other domestic manufacturers and import prices of the aforesaid products. Consequently, fluctuations in domestic and import prices of the aforementioned products could adversely affect Greenpanel's profitability.
4. Greenpanel's operations and profitability is dependant upon the changing customer preferences and perceptions in relation to furnishings and interior products and the introduction of new products in the furnishing sector.
5. Several properties that will be used by Greenpanel, shall not be owned by it. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect business operations.
6. The growth of Greenpanel and its financial results may be affected by factors affecting the real estate industry in India.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved

Nil

- B. Brief Details of top 5 material outstanding litigation against the Company and amount involved

Nil

- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters/Group Companies in last 5 financial years including outstanding action, if any.

Nil, except penalty of Rs.1,123.60/-(including service tax) was imposed by BSE for delay in filing of shareholding pattern for the quarter ended 30.09.2014 by one day in respect of Greenply Industries Limited and the same was paid.

- D. Brief details of outstanding criminal proceedings against Promoters

Nil

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this disclosure document are true and correct.

For Greenpanel Industries Limited

Sd/-

Shiv Prakash Mittal

Director

(DIN:00237242)

GREENPLY INDUSTRIES LIMITED

Registered Office Address: Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India.

Corporate Office Address: "Madgul Lounge", 5th & 6th Floor, 23 Chetla Central Road, Kolkata 700027, West Bengal, India

CIN: L20211AS1990PLC003484

Tel: 033 3051 5000 **Fax:** 033 3051 5010

E-mail: kaushal@greenply.com **Website:** www.greenply.com

ATTENDANCE SLIP

Only creditors or proxies will be allowed to attend the meeting

Name and Address of the creditor(s):	
--------------------------------------	--

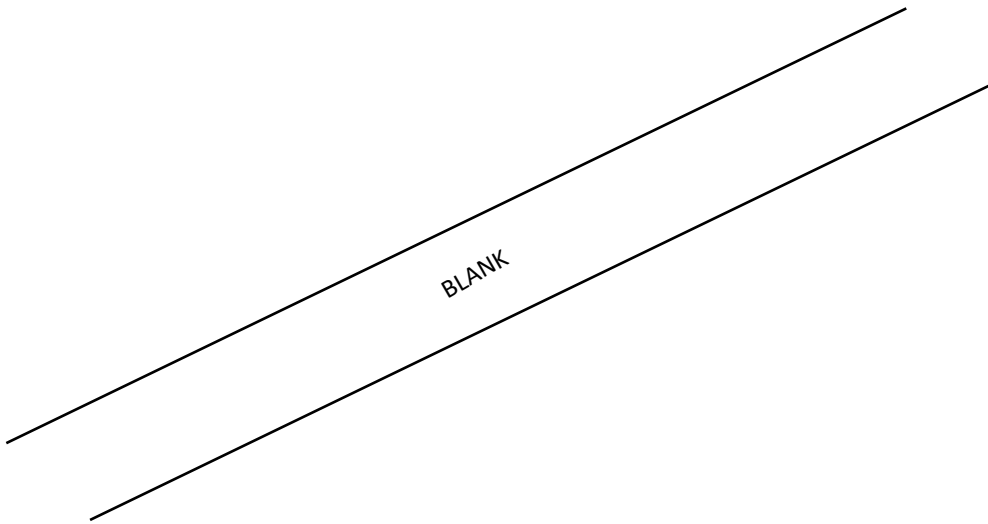
I / We hereby record my / our presence at the NCLT convened creditors meeting of the Company, held on Monday, 4th February, 2019 at 11:30 a.m. at the Registered office of the Company at Makum Road, Tinsukia, Assam – 786 125.

Signature of creditor _____

Signature of Proxy holder(s) _____

Note:

- 1. Creditors attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue**



GREENPLY INDUSTRIES LIMITED

Registered Office Address: Makum Road, P.O. Tinsukia, Tinsukia 786125, Assam, India.

Corporate Office Address: "Madgul Lounge", 5th & 6th Floor, 23 Chetla Central Road, Kolkata 700027, West Bengal, India

CIN: L20211AS1990PLC003484

Tel: 033 3051 5000 **Fax:** 033 3051 5010

E-mail: kaushal@greenply.com **Website:** www.greenply.com

PROXY FORM

CIN	L20211AS1990PLC003484
Name of Company	GREENPLY INDUSTRIES LIMITED
Registered Office	Makum Road, Tinsukia, Assam -786125 Tel: (033) 3051-5000, Fax: (033) 3051-5010 Website: www.greenply.com , email - kaushal@greenply.com

Name of the Creditor(s):	
Address:	
E-mail Id:	

I / We, being the creditor(s) of the above named company, hereby appoint:

- 1) Name: Address:
Email Id: Signature:, or failing him/her
- 2) Name: Address:
Email Id: Signature:, or failing him/her
- 3) Name: Address:
Email Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT convened creditors meeting of the Company, to be held on Monday, 4th February, 2019 at 11:30 a.m. at the Registered office of the Company at Makum Road, Tinsukia, Assam - 786 125 and at any adjournment thereof, in respect of such resolution set out in the notice convening the meeting.

Signed this _____ day of _____ 2019.

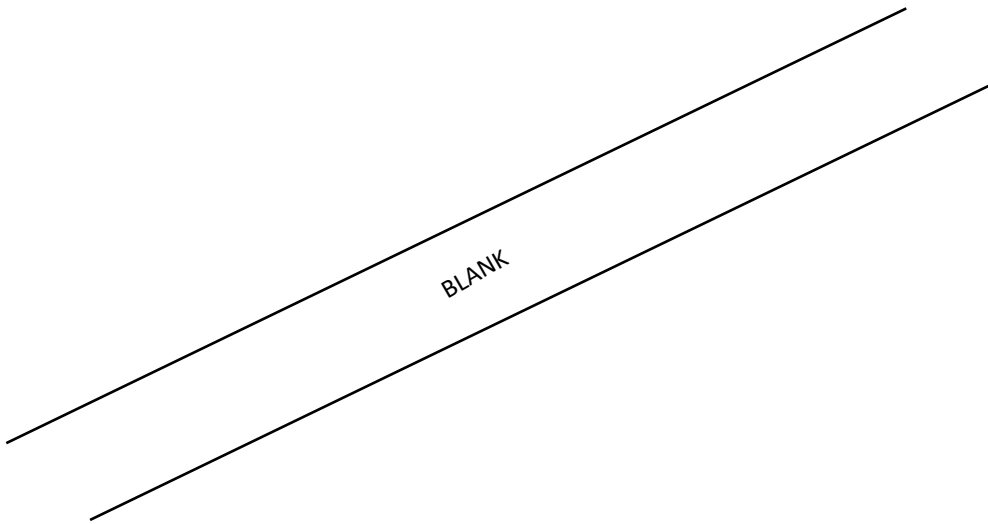
Signature of Creditor(s) : _____

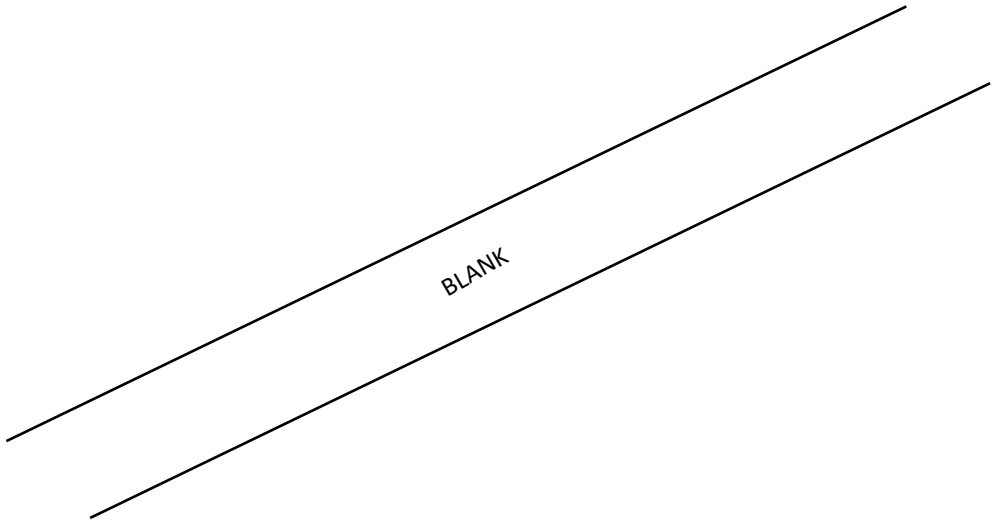


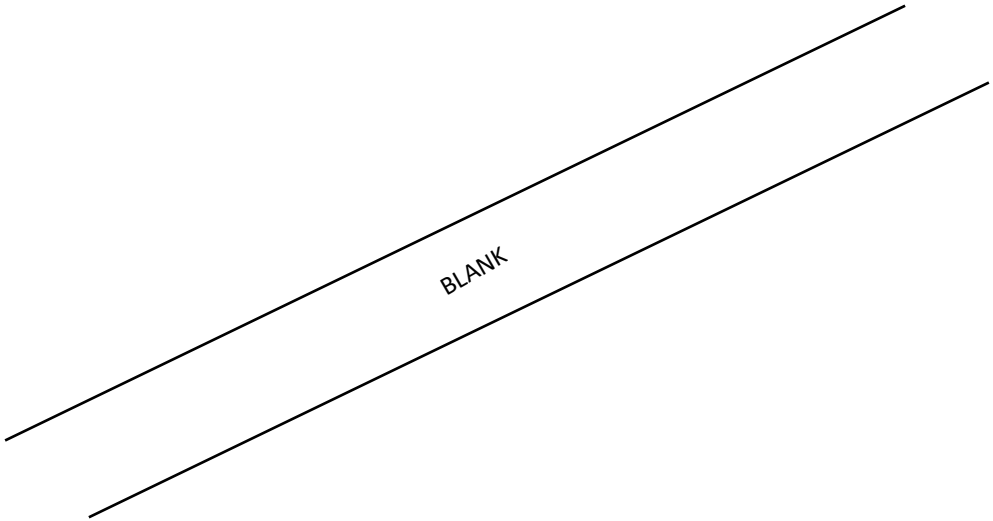
Signature of proxy holder(s): _____

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.







GREENPLY INDUSTRIES LIMITED

CIN: L20211AS1990PLC003484

Registered Office: Makum Road, P.O. Tinsukia, Assam-786 125, India

Corporate Office: "Madgul Lounge", 23 Chetla Central Road, 5th & 6th Floor, Kolkata - 700 027, India

Phone: (033) 3051-5000, **Fax:** (033) 3051-5010, **Email:** kaushal@greenply.com, **Website:** www.greenply.com

POSTAL BALLOT FORM

Creditor

(Please read carefully the instructions before completing the Form)

SERIAL NO:

1.	Name & address of the Creditor(s) of Greenply Industries Limited:	
2.	Principal Amount due as on December 21, 2018:	

I/We hereby exercise my/our vote in respect of the Resolution(s) proposed in the Notice dated December 24, 2018 of the Meeting of Creditors of Greenply Industries Limited convened as per directions of Guwahati Bench of Hon'ble National Company Law Tribunal to be held on Monday, 4th day of February, 2019 at 11:30 a.m. at the registered office of the Company at Makum Road, Tinsukia-786125, Assam by sending my/our assent or dissent to the said Resolution(s) by placing a tick mark (✓) in the appropriate box below:

Item No.	Resolution(s)	I/We assent to the resolution(s) (FOR) (1)	I/We dissent to the resolution(s) (AGAINST) (2)
1.	Resolution approving Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 between Greenply Industries Limited and Greenpanel Industries Limited and their respective Shareholders and Creditors for demerger of Demerged Undertaking of Greenply Industries Limited into Greenpanel Industries Limited.		

Place:

Date:

Signature of the Creditor/ Authorised Representative

INSTRUCTIONS TO POSTAL BALLOT

1. Pursuant to Sections 230 to 232 read with Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, assent or dissent of the creditors in respect of the resolution detailed in the Notice dated December 24, 2018 of the Meeting of Creditors of Greenply Industries Limited convened as per directions of Guwahati Bench of Hon'ble National Company Law Tribunal, on Monday, February 4, 2019 at 11:30 a.m. at the registered office of the Company at Makum Road, Tinsukia-786125, Assam is being additionally sought through Postal Ballot process.
2. A creditor desiring to exercise vote(s) by postal ballot, may send duly completed form in the enclosed self-addressed postage prepaid envelope which shall be properly sealed with adhesive or adhesive tape. Envelopes containing Postal Ballot Form, if sent by courier at the expense of the creditor by using the postage pre-paid envelope will also be accepted.
3. The voting period commences on and from Saturday, January 5, 2019 at 10:00 a.m. and shall end on Sunday, February 3, 2019 at 5:00 p.m. The envelope(s) containing the Postal Ballot should reach the Scrutinizer not later than 5.00 p.m. on Sunday, February 3, 2019. The Postal Ballot Form received after this date and time, will be strictly treated as if reply from the Creditor has not been received.
4. Assent/Dissent to the proposed resolution may be recorded by placing tick mark (✓) in the appropriate column. Postal Ballot Form bearing (✓) mark in both the column will render the form invalid.
5. The Postal Ballot Form should be completed and signed by the Creditor. An unsigned Postal Ballot Form will be rejected. A Creditor may sign the Postal Ballot Form through an attorney; in such case certified true copy of Power of Attorney should be attached to the Postal Ballot Form. The vote on postal ballot cannot be exercised through proxy.
6. In case of Body Corporates, Companies, Trusts, Societies, Institutions etc., a duly completed Postal Ballot Forms should be signed by its authorised signatories. In such cases the duly completed Postal Ballot Forms should also be accompanied by a certified true copy of the Board resolution / Authority letter together with the specimen signature(s) of the authorised signatory(ies) duly verified.
7. Creditors can opt only one mode for voting i.e., Postal Ballot Form or Poll exercised at the Meeting. Creditors who have cast their votes by Postal Ballot can also attend the Meeting.
8. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, overwritten, wrongly signed Postal Ballot Form(s) will be rejected.
9. The voting rights of the creditors of the Demerged Company shall be in proportion to the principal amount due in the name of the respective Creditor as on Friday, December 21, 2018, being the cut-off date.
10. A creditor may request for duplicate Postal Ballot Form, if required or may download from the Company's website www.greenply.com. However, the duly completed duplicate Postal Ballot Form should reach the scrutinizer not later than the date and time specified above.
11. Creditors are requested not to send any other paper (other than the resolution/authority/POA) along with the Postal Ballot Form as all Postal Ballot(s) will be sent to the Scrutinizer and any extraneous paper would be destroyed by the Scrutinizer.
12. Mr. Dilip Kumar Sarawagi of DKS & Co. (ACS 13020 C.P. NO. 3090), Practicing Company Secretaries of 173, M. G. Road, 1st Floor, Kolkata 700007 has been appointed as the Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The Scrutinizer's decision on the validity of Postal Ballot Form(s) will be final.
13. For any query connected with the Resolution proposed to be passed, contact Mr. Kaushal Kumar Agarwal, Company Secretary & Vice President-Legal at the Corporate Office of the Company at "Madgul Lounge", 23 Chetla Central Road, 6th Floor, Kolkata - 700 027, Phone: (033) 3051 5000; Email: kaushal@greenply.com

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

GREENPLY INDUSTRIES LIMITED

AND

GREENPANEL INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS

FOR

THE DEMERGER OF THE DEMERGED UNDERTAKING OF

GREENPLY INDUSTRIES LIMITED TO GREENPANEL

INDUSTRIES LIMITED

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE

COMPANIES ACT, 2013

I. PRELIMINARY

- 1.1 This Composite Scheme of Arrangement is presented for the demerger (that is, transfer and vesting) of the Demerged Undertaking (*as defined below*) of Greenply Industries Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India (hereinafter referred to as the “**Demerged Company**”); as a going concern, into Greenpanel Industries Limited, a company incorporated under the Companies Act, 2013, having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India (hereinafter referred to as the “**Resulting Company**”). The Resulting

Company is a wholly owned subsidiary of the Demerged Company.

II. RATIONALE OF THE SCHEME

2.1 The Demerged Company is engaged in the following lines of business through the following undertakings:

(i) the “**Transferred Business**”: As part of this business undertaking, primary activities means –

Business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. Presently, this business consists of the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and overseas subsidiary viz. Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd. (registered in Singapore).

(ii) the “**Remaining Business**”: As part of this business undertaking, primary activities means –

Business comprising of manufacturing, marketing and trading

of Plywood, Decorative Veneers, Veneers, Doors and allied products. Presently, this business consists of manufacturing units situated at Tizit (Nagaland), Kriparampur (West Bengal), Bamanbore (Gujarat) and registered, marketing, branch, Corporate and other office(s) located in India and subsidiaries viz. Greenply Holdings Pte. Ltd. (registered in Singapore), Greenply Middle East Limited (registered in Dubai, UAE), Greenply Gabon SA (registered in Gabon, West Africa) and investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd., Singapore (Joint Venture Company) held by Greenply Trading Pte. Limited (registered in Singapore) and Greenply Industries (Myanmar) Pvt. Ltd. (registered in Myanmar) controlled by Greenply Alkema (Singapore) Pte. Ltd., Singapore.

- 2.2 Each of the aforementioned businesses of the Demerged Company have been nurtured and developed from a nascent stage and are currently at different stages of maturity, with differing capital and operating requirements including risk and competition, necessitating different management approaches and focus.
- 2.3 Under this Scheme, it is proposed to demerge the Transferred Business of the Demerged Company, and all the estate, assets, rights, claims, title, interest, licenses, liabilities, employees, accretions and appurtenances of the Demerged Company pertaining to the Transferred Business (“**Demerged Undertaking**”, as defined more particularly in Paragraph 1.6 of Part A of this Scheme) and transfer it to the Resulting Company. The proposed demerger of the Demerged

Undertaking envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Demerged Company and the Resulting Company:

- (i) Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.
- (ii) Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company.
- (iii) Provide enhanced strategic flexibility in the operation of each of the aforementioned businesses.
- (iv) Expanding the potential client / customer market for each business vertical.
- (v) Access to various sources of funds and investments for the rapid growth of both the businesses.

2.4 The nature of technology, risk, competition and capital intensity involved in each of the undertakings of the Demerged Company is distinct from each other. Consequently, each undertaking of the Demerged Company is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other

stakeholders. Hence, as part of an overall business reorganisation plan, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging the Demerged Undertaking to the Resulting Company in the manner and on the terms and conditions contained in this Scheme.

2.5 Pursuant to the Scheme, all Shareholders of the Demerged Company as on the Record Date will receive equity shares in the Resulting Company and subsequently, such Shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such Shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.

2.6 The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the Companies and in the growth and development of their respective businesses.

2.7 The Scheme has been approved by the respective Boards of the Demerged Company and the Resulting Company and it has been decided that requisite application / petition before the NCLT (*as defined below*) for seeking the necessary directions and the sanction of this Scheme, shall be filed. The Scheme is also subject to the approval of the requisite majority of the respective shareholders and/or creditors, as the case may be, of the Demerged Company and

the Resulting Company and / or such other statutory approvals/ clearances, if any, as more particularly set out in the Scheme.

2.8 The transfer of the Demerged Undertaking shall be on a going concern basis.

III. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- **PART A** deals with definitions and share capital;
- **PART B** deals with the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, including consideration and accounting treatment;
- **PART C** deals with the general terms and conditions applicable to this Scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless repugnant to the context or meaning thereof, the following expressions shall have the following meanings:

1.1 “**Act**” means the Companies Act, 2013, as applicable and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof.

- 1.2 **“Appointed Date”** for the purpose of this Scheme and Income Tax Act, 1961, means 1st April, 2018 .
- 1.3 **“Board of Directors”** or **“Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such Company and includes any committee of directors constituted by the board of the respective Companies.
- 1.4 **“Companies”** means the Demerged Company and the Resulting Company, collectively.
- 1.5 **“Demerged Company”** means Greenply Industries Limited, incorporated under the Companies Act, 1956, bearing CIN L20211AS1990PLC003484 and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam, India.
- 1.6 **“Demerged Undertaking”** means the entire activities, operations, business division and undertaking of the Demerged Company pertaining to the Transferred Business as is presently carried out by the Demerged Company and which is being transferred to the Resulting Company on a going concern basis along with all related assets, liabilities, employees, rights, powers and shall include (without limitation) in particular the following:
- (i) all assets (including appliances, accessories, furniture, fixtures and leasehold improvements, where applicable) whether movable or immovable, tangible or intangible, including all

rights, titles and interest in connection with the land, and buildings thereon, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, sundry debtors, cash and bank balances, other fixed assets, benefit of any deposits, financial assets, investments, benefit of any bank guarantees and all other assets whether real or personal, present, future or contingent relating to the Demerged Undertaking, except as provided in this Scheme;

- (ii) all permits, rights (including, without limitation, rights under any customer contracts, supply contracts, insurance contracts or other contracts or agreements), licenses including, without limitation, approvals, authorizations, consents, tenancies, offices, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions and unabsorbed depreciation, tenancies in relation to office, lease rights, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- (iii) all deposits and balances with Government (including share of advance taxes, taxes deducted at source in connection with the business of the Demerged Undertaking, entitlements to refund

and / or credits of service tax, central excise, GST in connection with the business of the Demerged Undertaking, entitlements to refund and / or credits of the value added tax (in all states) in connection with the business of the Demerged Undertaking and such other tax credits as may pertain to the Demerged Undertaking), semi-government, local and other authorities and bodies, customers, other persons, earnest moneys and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;

(iv) all employees of the Demerged Company substantially engaged in the Demerged Undertaking and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the business of the Demerged Undertaking;

(v) all debts, borrowings, obligations, duties and liabilities both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Undertaking;

(vi) all trade and service names and marks (including any right to use trademarks), patents, copyrights (including any right to use copyrights), designs, brand names (including the right to use

brand names), patents, use of technology rights, and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Demerged Undertaking; and

(vii) all legal proceedings of whatsoever nature by or against the Demerged Company pending or threatened on the Appointed Date and relating to the Demerged Undertaking.

1.7 “**Effective Date**” means the date on which certified copies of the orders of the NCLT sanctioning this Scheme are filed with the Registrar of Companies at Shillong by the Demerged Company and the Resulting Company and if such filing is made on different dates, then the last of such dates. References in this Scheme to the date of “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” or “**being effective**” or “**becoming effective**” will mean the Effective Date.

1.8 “**Greenpanel Shareholder Group**” means Shiv Prakash Mittal and Shobhan Mittal (on behalf of Trade Combines, Partnership Firm), Shobhan Mittal, Santosh Mittal, Prime Holdings Private Limited,

Vanashree Properties Private Limited, Shiv Prakash Mittal, Chitwan Mittal, Master Aditya Mittal, Educational Innovations Private Limited, Niranjana Infrastructure Private Limited, Showan Investment Private Limited, Bluesky Projects Private Limited and Trade Combines Pte. Ltd. (Incorporated in Singapore).

- 1.9 **“Greenply Shareholder Group”** means Rajesh Mittal, Sanidhya Mittal, Karuna Mittal, S. M. Management Private Limited, RS Homcon Limited, R. M. Safeinvest Private Limited, Brijbhumi Merchants Private Limited, Brijbhumi Tradevin Private Limited, Mastermind Shoppers Private Limited, Dholka Plywood Industries Private Limited, Mittalgreen Plantations LLP, Rajesh Mittal & Sons, HUF and RKS Family Foundation.
- 1.10 **“NCLT”** means Guwahati, Assam bench of the National Company Law Tribunal as constituted under the Act.
- 1.11 **“Record Date”** means the date to be fixed mutually by the Board of Directors of the Demerged Company and the Resulting Company for the purpose of determining the names of the Shareholders of the Demerged Company, as applicable, who shall be entitled to shares of the Resulting Company under Paragraph 12 hereto, upon coming into effect of this Scheme.
- 1.12 **“Resulting Company”** means Greenpanel Industries Limited, incorporated under the Companies Act, 2013, bearing CIN U20100AS2017PLC018272 and having its registered office at Makum Road, P.O. Tinsukia, Tinsukia 786125, in the State of Assam,

India.

- 1.13 “**Scheme**” means this composite scheme of arrangement in relation to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company in its present form or as may be modified from time to time in accordance with Paragraph 18 of this Scheme or as may be approved or directed by the NCLT.
- 1.14 “**SEBI**” means the Securities and Exchange Board of India.
- 1.15 “**Shareholders**” means the persons registered as holders of equity shares of the respective Companies.
- 1.16 “**Takeover Code**” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 1.17 The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever until the Effective Date, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 1.18 The words importing the singular include the plural; words importing

any gender include every gender.

- 1.19 Any word or expression used and not defined in the Scheme but defined in the Act shall have the meaning respectively assigned to them in the Act or the Securities Contracts (Regulation) Act, 1956, as applicable.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme, though operative from the Appointed Date, shall become effective from the Effective Date.

3 SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 31st March 2018 is as under:

<i>Particulars</i>	<i>Rupees (INR)</i>
<u>CAPITAL:</u>	
<u>Authorised:</u>	
16,00,00,000 equity shares of INR 1.00 each	21,00,00,000
50,00,000 Cumulative Redeemable Preference Shares of INR 10.00 each	
<u>Issued, Subscribed and Paid –up:</u>	
12,26,27,395 equity shares of INR 1.00 each	12,26,27,395

- 3.2 The authorized, issued, subscribed and paid-up share capital of the

Resulting Company as on 31st March 2018 is as under:

<i>Particulars</i>	<i>Rupees(INR)</i>
<u>CAPITAL:</u>	
<u>Authorised:</u>	
1,00,00,000 equity shares of INR 1.00 each	1,00,00,000
<u>Issued, Subscribed and Paid –up:</u>	
10,00,000 equity shares of INR 1.00 each	10,00,000

Subsequent to 31st March 2018 there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company and the Resulting Company.

PART B

DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

4 TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 On and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company without any further act, deed, instrument, matter or thing, in such a manner that:

4.1.1 all the assets of the Demerged Undertaking immediately before the demerger become the assets of the Resulting Company by virtue of the demerger;

4.1.2 all the liabilities of the Demerged Undertaking immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger.

With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business carried on by the Demerged Undertaking in addition to the business of the Resulting Company.

4.2 **Transfer of assets, movable and immovable property**

Without limiting the generality of the foregoing, on and from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking as a going concern shall be transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company in the following manner:

4.2.1 With effect from the Appointed Date, all the assets of the Demerged Undertaking whether movable or immovable, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed,

be transferred to and vested in and deemed to be transferred to and vested in the Resulting Company as a going concern so as to become, as from the Appointed Date, the assets of the Resulting Company and to vest all the right, title and interest therein to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to transfer of immovable properties to the Resulting Company. The mutation of title/ assignment of leases in respect of the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of the Resulting Company.

4.2.2 With effect from the Appointed Date, all the moveable assets including plant & machinery, furniture & fixtures, office equipment, vehicles, computers, air conditioner, electric installation, fire extinguisher, inventories, cash in hand of the Demerged Undertaking, capable of transfer by physical delivery or by endorsement and/or delivery shall be so delivered or endorsed and/or delivered as the case may be to the Resulting Company to the end and intent that the property therein passes to the Resulting Company, on such delivery or endorsement and/or delivery in pursuance of the provisions of Sections 230 to 232 and other applicable provisions of the Act.

4.2.3 In respect of the movable properties of the Demerged Undertaking (other than those specified in Paragraph 4.2.2 above) including sundry debtors, receivables, bills, credits, loans and advances, recoverable in cash or in kind or for value to be received, bank balances and deposits with government, semi-government authorities, local and other authorities and bodies or with any company or other person, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper, to each of such person, debtor or depositor, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, such debt, loan, advance, bank balance, or deposit be paid or made good or held on account of the Demerged Undertaking as the person entitled thereto to the end and intent that the right of the Demerged Undertaking to recover or realize all such debts (including the debts payable by such person or depositor to the Demerged Undertaking) stands without any further act or deed, transferred and assigned to the Resulting Company and that appropriate entries should be passed in its books to record the aforesaid change.

4.2.4 The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation/notice in favour of any other party to any contract or arrangement to which the Demerged Undertaking is party or

any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings, instruments and deeds on behalf of the Demerged Undertaking and to implement or carry out all such formalities or compliance referred to above on the part of the Demerged Undertaking to be carried out or performed to give effect to the provisions of this Paragraph 4.2.

4.2.5 Subject to the other provisions of this Scheme, all entitlements, licenses, permissions, approvals, clearances, authorisations, consents, brand names, trademarks, copyrights, patents, other intellectual property rights registrations and no-objection certificates obtained by the Demerged Company for the operations of the Demerged Undertaking and/or to which the Demerged Company is entitled to in relation to the Demerged Undertaking in terms of the various statutes/ schemes/ policies, etc. of the Overseas, Union and State Governments, local authorities, local bodies and other statutory authorities and bodies, shall be available to and vest in the Resulting Company, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of the Resulting Company. Since the Demerged Undertaking will be transferred to and vested in the Resulting Company as a going concern without any break or interruption in the operations thereof, the Resulting Company shall be entitled to enjoy the benefit of all such entitlements, licenses, permissions,

approvals, clearances, authorizations, consents, intellectual property rights, registrations and no-objection certificates as enjoyed by the Demerged Company and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Accordingly, all existing and future incentives, unavailed credits and exemptions and other statutory benefits, including in respect of Income Tax for the period commencing on and from the Appointed Date, excise (including Modvat / Cenvat), customs (including EPCG, DFIA, advance license, SHIS, FMS, FPS, Incremental Export Incentive Scheme, TED etc.), VAT, sales tax, goods and services tax, entry tax, octroi, service tax and other taxes, incentives and duties to which the Demerged Company is entitled in relation to the Demerged Undertaking in terms of the various Statutes/ Schemes/ Policies, etc. of Overseas, Union and State Governments shall be available to and vest in the Resulting Company upon this Scheme becoming effective.

4.2.6 The transfer and/or vesting of all the assets and liabilities of the Demerged Undertaking to the Resulting Company and the continuance of all the contracts and proceedings by or against the Resulting Company shall not affect any contract or proceedings relating to the assets or the liabilities, tenancy rights, licenses already concluded by the Demerged Company on or after the Appointed Date.

4.2.7 Further, the experience, track record and credentials of the

Demerged Company in relation to the Demerged Undertaking in carrying out the Transferred Business prior to its transfer to the Resulting Company shall be taken into account and treated and recognized as the experience, track record and credentials in relation to such Demerged Undertaking even after its transfer to the Resulting Company, including for the purpose of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders, contracts, request for proposals / quotation, of clients Central/ State Governments, statutory bodies or agencies thereof.

4.3 **Transfer of liabilities**

4.3.1 With effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description of the Demerged Undertaking (subject to the provisions of Paragraphs 4.3.4 to 4.3.7) shall, under the provisions of Sections 230 to 232 of the Act without any further act or deed be transferred to or be deemed to be transferred to the Resulting Company so as to become as from the Appointed Date the debts, liabilities, duties, obligations of the Resulting Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Without limiting the generality of the foregoing, the export obligations including EPCG export obligations arising on account of licences issued / granted to

and pertaining to the Demerged Undertaking of the Demerged Company shall stand transferred to and become the export obligations of the Resulting Company which shall meet, discharge and satisfy the same with effect from the Appointed Date.

4.3.2 If and to the extent there are inter-corporate loans, deposits, receivables or balances between the Demerged Undertaking and the Resulting Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of accounts and records of the Resulting Company, if required, for such adjustments of debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter-corporate loans, deposits, receivables or balances between the Demerged Company in relation to the Demerged Undertaking and the Resulting Company.

4.3.3 The transfer and/or vesting of the properties as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the aforesaid assets or any part thereof of the Demerged Undertaking.

Provided however, that any reference in any security documents or arrangements, to which the Demerged Company is a party, to the assets of the Demerged Undertaking which it

has offered or agreed to be offered as security for any financial assistance or obligations, to any secured creditors of the Demerged Company, shall be construed as reference only to the assets of the Demerged Undertaking as are vested in the Resulting Company by virtue of the aforesaid Paragraph, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Resulting Company or the Demerged Company, unless specifically agreed to by the Resulting Company with such secured creditors.

Provided that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further or additional security thereof after the Scheme has become effective or otherwise.

4.3.4 As regards any tax Liability arising in connection with excise show cause notice received from the Office of the Director General of Central Excise Intelligence, Delhi Zonal Unit, dated February 15, 2011 and other connected notices issued by the relevant subordinate governmental authorities with respect to the subject matter of the above mentioned notice or any order, amendment, revision, further issuance or replacement thereof, or in or about the matter covered by the aforesaid show cause notice (“**Excise Notices**”), any tax Liability arising out of the Excise Notices for period up to June 30, 2017 and which is

finally adjudicated and/or settled by March 31, 2022; 32% of the finally adjudicated/ settled Liability amount shall be paid by the Demerged Company to the Resulting Company in case the Resulting Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax Liability arises and 29% in case the Resulting Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Demerged Company to the Resulting Company shall be made seven days before the payment has to be made by the Resulting Company to the Government.

4.3.5 Further, as regards any tax Liability arising in connection with disputed dues of excise duty on resin production at the Demerged Company's manufacturing unit at Pantnagar, Uttarakhand, for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022; 44% of the finally adjudicated / settled Liability amount shall be paid by the Demerged Company to the Resulting Company in case the Resulting Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax Liability arises and 40% in case the Resulting Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Demerged Company to the Resulting Company shall be made seven days before the payment has to be made by the Resulting Company to the Government.

4.3.6 Further, as regards any tax Liability arising in connection with disputed dues of excise duty in respect of the Demerged

Company's manufacturing unit at Tizit (Nagaland) relating to refund of excise duty under Notification Number 32/99-CE for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022, 44% of the finally adjudicated / settled liability amount shall be paid by the Resulting Company to the Demerged Company in case the Demerged Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax liability arises and 40% in case the Demerged Company is under normal tax liability in the year in which the tax liability arises. The payment by the Resulting Company to the Demerged Company shall be made seven days before the payment has to be made by the Demerged Company to the Government.

4.3.7 Further, any tax Liability arising in connection with disputed dues of excise duty in respect of the Demerged Company's manufacturing units at Kriparampur (West Bengal) and Bamanbore (Gujarat) relating to disallowance of discounts claimed on sale of goods for the period upto June 30, 2017 and which is finally adjudicated and/or settled by March 31, 2022, 44% of the finally adjudicated / settled liability amount shall be paid by the Resulting Company to the Demerged Company in case the Demerged Company pays tax under Minimum Alternative Tax (MAT) in the year in which the tax liability arises and 40% in case the Demerged Company is under normal tax Liability in the year in which the tax Liability arises. The payment by the Resulting Company to the Demerged Company shall be made seven days before the payment has to

be made by the Demerged Company to the Government.

It is hereby clarified that, for the purpose of above paras i.e. 4.3.4 to 4.3.7: (i) “**Liability**” shall include duty, penalty, interest or any amount paid on composition; (ii) “**finally adjudicated/settled**” shall mean such final adjudication/settlement where neither party shall have a right to prefer any further appeal or have any further recourse against the demand arising out of the Excise Notices and disputed dues.

4.3.8 This Scheme shall be deemed to ensure that any amount owing by the Demerged Company as on the Appointed Date, or at any time thereafter, is owned either by the Demerged Company or the Resulting Company such that the liabilities and debts pertaining to the Demerged Undertaking are taken over by the Resulting Company and those pertaining to the Remaining Business continue to be the debts or liabilities of the Demerged Company. Any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Demerged Undertaking shall continue to have effect only on the assets of the Demerged Undertaking in the Resulting Company and shall cease to have effect on the assets of the Remaining Business. Likewise, any charge, security interest, lien, statutory lien or statutory charge pertaining to any assets of the Remaining Business shall continue to have effect only on the assets of the Remaining Business in the Demerged Company and shall cease to have effect on the assets of the Demerged Undertaking.

Subject to the Paragraph above, if any creditor has any charge, security interest, lien, statutory lien or statutory charge on any of the assets or properties of Demerged Undertaking of the Demerged Company, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in the Resulting Company.

5 BUSINESS AND PROPERTY OF THE DEMERGED UNDERTAKING TO BE HELD IN TRUST FOR THE RESULTING COMPANY

For the period beginning on and from the Appointed Date and ending on the Effective Date:

- 5.1 The Demerged Company in relation to the Demerged Undertaking shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and possessed of and shall continue to hold and stand possessed of all the assets, properties and liabilities for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold the assets, properties and liabilities with utmost prudence until the Effective Date.
- 5.2 All the profits or income accruing or arising to the Demerged Undertaking and all costs, charges, expenditure, taxes or losses arising or incurred by the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as profits, income, costs,

charges, expenditure, taxes or losses, as the case may be, of the Resulting Company.

- 5.3 The Demerged Undertaking shall carry on its business and activities until the Effective Date with reasonable diligence, and business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company in relation to the Demerged Undertaking.

Provided however, the Demerged Company in relation to the Demerged Undertaking shall in the ordinary course of business be entitled to borrow in the form of loans, if deemed necessary by it and further consent for this purpose will not be required of the Resulting Company in that behalf.

- 5.4 The Demerged Company in relation to the Demerged Undertaking shall not, without the prior written consent of the Board of Directors of the Resulting Company, undertake any new business or substantial expansion of the business which relates to the Demerged Undertaking.
- 5.5 The Demerged Company shall not make any change in its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, re-classification, subdivision or re-organisation or in any other manner whatsoever other than the changes pursuant to any prior commitments, obligations or arrangements or acts and deeds already made except by mutual

consent of the Board of Directors of the Resulting Company and the Demerged Company.

6 LEGAL PROCEEDINGS

6.1 All proceedings by or against the Demerged Company pending and/or arising on or before the Effective Date in relation to the Demerged Undertaking shall not abate, not be discontinued or not be in any way prejudicially affected by reason of the transfer of the business of the Demerged Company pursuant to this Scheme but the proceedings shall be continued, prosecuted and enforced by or against the Resulting Company as effectually and in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date, the Resulting Company shall initiate, continue and defend any proceedings which were earlier in the name of the Demerged Company.

6.2 On and from the Appointed Date but on or before the Effective Date, if any proceedings are taken against or initiated by the Demerged Company in relation to the Demerged Undertaking, the same shall be defended by the Demerged Company for and on behalf of the Resulting Company.

6.3 It is clarified that any amounts received by the Demerged Company after the Appointed Date on account of any proceedings, including proceedings under various Tax Laws (*as defined below*) shall be deemed to have been received in trust and on behalf of the Resulting

Company and the same shall forthwith be remitted by the Demerged Company to the Resulting Company upon the Scheme becoming effective.

7 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 All acts, contracts, agreements, deeds, bonds or any other instruments executed by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date shall be in full force and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.

7.2 All acts, contracts, agreements deeds, bonds or any other instruments executed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date but before the Effective Date shall be in full force and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto.

7.3 Upon the Scheme coming into effect and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Demerged Company in relation to the Demerged Undertaking is a party or to the benefit of which the Demerged Company in relation to the Demerged Undertaking may be eligible, and which are subsisting or having effect

immediately before the Effective Date, shall be in full force and effect against or in favor of the Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of the Demerged Company in relation to the Demerged Undertaking, the Resulting Company had been a party or beneficiary thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any multipartite agreements, arrangements, confirmations or novation to which the Demerged Company in relation to the Demerged Undertaking will also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary.

- 7.4 The Resulting Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company in relation to the Demerged Undertaking is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Demerged Company, in relation to the Demerged Undertaking, in order to implement or carry out all such formalities or compliances referred to above.

8 STAFF, WORKMEN AND EMPLOYEES OF THE DEMERGED UNDERTAKING

- 8.1 All staff, workmen and employees of the Demerged Undertaking in

continuous service on the Effective Date shall become the staff, workmen and employees of the Resulting Company on such date without any break or interruption in service and on the terms and conditions not in any way less favourable to them than those subsisting with reference to the Demerged Undertaking as the case may be on the said date. The Resulting Company shall be liable to pay to the workman, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.

8.2 It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund or schemes created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to said funds in accordance with provisions of such schemes and said funds as per the terms provided in the respective trust deeds/ other documents. To this end and intent, all the rights, duties, powers and obligations of the Demerged Company in relation to such funds/schemes shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

8.3 The Demerged Company in relation to the Demerged Undertaking

shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

9 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Resulting Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

The Demerged Company and Resulting Company both being entities under common control, the accounting would be done at book values for the all the assets and liabilities acquired by the Resulting Company of the Demerged Undertaking by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

9.1 IN THE BOOKS OF THE DEMERGED COMPANY

9.1.1 Upon the Scheme becoming effective, the Demerged Company shall reduce the book value of assets (ignoring revaluation, if any) and the liabilities pertaining to the Demerged Undertaking as on the Appointed Date.

9.1.2 The difference between value of the assets and value of the liabilities transferred in accordance with the aforesaid Paragraph

will be recorded in the following order: (1) Capital Redemption Reserve; (2) Securities Premium Reserve; (3) General Reserve; (4) Retained Earnings in the books of the Demerged Company. If value of liabilities transferred is more than value of assets transferred to Resulting Company, then the balance shall be recorded in capital reserves.

9.2 **IN THE BOOKS OF THE RESULTING COMPANY**

9.2.1 Upon the Scheme becoming effective, the Resulting Company shall:

- (a) record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values (ignoring revaluation if any) as appearing in the books of Demerged Company as on the Appointed Date;
- (b) credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme and Paragraph 12.

9.2.2 The excess of assets of the Demerged Undertaking as on the Appointed Date over the (i) book value of the liabilities of the Demerged Undertaking as on the Appointed Date and (ii) paid up value of the equity shares issued by the Resulting Company to the Shareholders of Demerged Company (the amount credited as share capital), will be credited to the capital reserve account of the Resulting Company. In case of there being a shortfall, the

same shall be debited to goodwill.

10 TREATMENT OF TAXES

10.1 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, any other state sales tax/value added tax laws, service tax, stamp laws or other applicable laws/regulations (hereinafter in this Paragraph referred to as "**Tax Laws**") dealing with taxes/duties/levies allocable or related to the Demerged Undertaking to the extent not provided for or covered by tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Resulting Company, subject to the provisions of Paragraphs 4.3.4 to 4.3.7 of this Scheme.

10.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and, shall, in all proceedings, be

dealt with accordingly, subject to the provisions of Paragraphs 4.3.4 to 4.3.7 of this Scheme.

10.3 Any refund under the Tax Laws due to the Demerged Company consequent to the assessments made on Demerged Company in relation to the Demerged Undertaking and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.

10.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, etc., to which the Demerged Company are entitled to in terms of the applicable Tax Laws of the central and state governments, shall be available to and vest in the Resulting Company.

11 SAVING OF CONCLUDED TRANSACTIONS

11.1 The transfer of all the assets and liabilities and the licenses and permits and membership etc. under Paragraph 4 above and the continuance of proceedings by or against the Resulting Company under Paragraph 6 above shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Demerged Undertaking.

12 CONSIDERATION

- 12.1 In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in this Paragraph 12.
- 12.2 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, without any further application or deed, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company.
- 12.3 Upon issue of the new equity shares to the Shareholders of the Demerged Company on the Record Date, all existing equity shares held by the existing Shareholders of the Resulting Company (i.e. not including the Shareholders of the Demerged Company on the Record Date), shall stand cancelled, without any further act or deed. The reduction of capital of the Resulting Company pursuant to this Scheme shall be given effect as an integral part of the Scheme and the consent given to the Scheme by the Shareholders and creditors of the Resulting Company shall be deemed to be their consent under the provisions of Section 66 and all other applicable provisions of

the Act to such reduction of capital of the Resulting Company and the Resulting Company shall not be required to convene any separate meeting for that purpose. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act. Notwithstanding the reduction of the subscribed and paid-up equity share capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

12.4 Such new equity shares issued by the Resulting Company shall, pursuant to circular issued by SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and in accordance with the compliance with requisite formalities under applicable laws, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Demerged Company are listed and/or admitted to trading.

12.5 The equity shares to be issued by the Resulting Company to the Shareholders of the Demerged Company on the Record Date pursuant to this Paragraph 12 shall be issued:

12.5.1 in dematerialized form, if the shares are held in dematerialized form by the Shareholders of the Demerged Company on the Record Date.

12.5.2 in physical form, if the shares are held in physical form by the Shareholders of the Demerged Company on the Record Date. New share certificates shall be issued and delivered by registered post to such Shareholders of the Demerged

Company on the Record Date for the number of shares entitled by them under the Scheme.

- 12.6 The equity shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to this Paragraph 12 shall be subject to the memorandum and articles of association of the Resulting Company and shall rank *pari passu* in all respects with the existing equity shares of Resulting Company.
- 12.7 The new equity shares in the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange. Till the listing of the equity shares of the Resulting Company to be issued pursuant to this Scheme, there shall be no change in the pre-arrangement capital structure and shareholding pattern or control in the Resulting Company which may affect the status of approval of the stock exchanges to this Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme.
- 12.8 Equity shares of the Resulting Company are allotted to the Shareholders of the Demerged Company on the Record Date in terms of this Scheme by virtue of their interest in the Demerged Company as a whole, including the Demerged Undertaking. However, in order to achieve the objectives of concentration of resources efficiently, and focused management for the Transferred Business as well as the Remaining Business which is an integral objective of this Scheme, within 36 (thirty six) months from the listing of the equity shares of the Resulting Company, there shall be a realignment of shareholding between the Greenply

Shareholder Group and the Greenpanel Shareholder Group such that:

(a) the Greenpanel Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of the Demerged Company as mutually agreed, to the Greenply Shareholder Group; and (b) the Greenply Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of the Resulting Company as mutually agreed, to the Greenpanel Shareholding Group. Such realignment of shareholding shall be subject to compliance with the Takeover Code and other applicable laws. For the purpose of availing exemption under Regulation 10 of the Takeover Code, the promoters of the Demerged Company shall be deemed to have been the promoters of the Resulting Company for the same duration they have been promoters of the Demerged Company and this recognition shall be available on the listing of the equity shares of the Resulting Company. Statutory exemptions for the transfer of shares of the Resulting Company amongst the Greenply Shareholder Group and the Greenpanel Shareholder Group shall be deemed to be available to the Greenply Shareholder Group and the Greenpanel Shareholder Group under the Takeover Code as detailed below.

12.9 The proposed transfer will neither change the total shareholding / voting rights of the promoter groups of the Demerged Company nor will it affect or prejudice the interests of the public shareholders in any way.

12.10 Upon consummation of transfer envisaged in Paragraph 12.8 above,

12.10.1 Shiv Prakash Mittal and Shobhan Mittal (on behalf of Trade Combines, Partnership Firm), Shobhan Mittal, Santosh Mittal, Prime Holdings Private Limited, Vanashree Properties Private Limited, Shiv Prakash Mittal, Chitwan Mittal, Master Aditya Mittal, Educational Innovations Private Limited, Niranjana Infrastructure Private Limited, Showan Investment Private Limited, Bluesky Projects Private Limited and Trade Combines Pte. Ltd. (Incorporated in Singapore) shall cease to be a part of the promoter/ promoter group of the Demerged Company. Similarly, Rajesh Mittal, Sanidhya Mittal, Karuna Mittal, S. M. Management Private Limited, RS Homcon Limited, R. M. Safeinvest Private Limited, Brijbhumi Merchants Private Limited, Brijbhumi Tradevin Private Limited, Mastermind Shoppers Private Limited, Dholka Plywood Industries Private Limited, Mittalgreen Plantations LLP, Rajesh Mittal & Sons, HUF and RKS Family Foundation shall not form part of the promoter/ promoter group of the Resulting Company.

12.10.2 The Demerged Company and the Resulting Company shall be managed and controlled by their respective shareholders, i.e. the Resulting Company shall be under the exclusive management and control of the Greenpanel Shareholder Group and the Demerged Company shall be under the exclusive management and control of the Greenply Shareholder Group. The shareholders of the Resulting Company and the Demerged Company may reconstitute their respective board of directors to reflect the change in

shareholding.

- 12.11 It is clarified that the transfer of the equity shares of both, the Demerged Company and the Resulting Company, and the consequent change in management and control of the respective Companies made in terms of this Paragraph 12 shall be pursuant to and is an integral part of this Scheme. Such transfer and change in control, being exempt under Regulation 10 of the Takeover Code, shall not trigger the open offer requirements in the Demerged Company and/or the Resulting Company under Regulation 3 or Regulation 4 of the Takeover Code.
- 12.12 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Resulting Company issued by the Resulting Company after the effectiveness of the Scheme.
- 12.13 The issue and allotment of equity shares by the Resulting Company, to the Shareholders of the Demerged Company as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Act and any other applicable provisions of the Act have been complied with.

12.14 For the purpose of issue of equity shares to the Shareholders of the Demerged Company on the Record Date, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals.

12.15 The new equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.

PART C

GENERAL TERMS AND CONDITIONS

13 TRANSACTIONS BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

13.1 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.

14 APPLICATION TO THE NCLT

14.1 The Demerged Company and Resulting Company shall, with all reasonable dispatch, make applications to the NCLT seeking orders

for dispensing with or, if required, convening, holding and conducting of the meetings of the members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT.

- 14.2 On the Scheme being agreed to by the requisite majorities of the Shareholders and/or creditors of the Demerged Company and Resulting Company, if so directed to be taken by the NCLT, the Demerged Company and Resulting Company shall, with all reasonable dispatch, apply to the NCLT for sanctioning the Scheme under the provisions of the Act, and for such other order or orders, as the NCLT may deem fit for carrying this Scheme into effect.

15 SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

This Scheme is specifically conditional upon and subject to:

- 15.1 The sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned (including but not limited to, SEBI and the relevant stock exchange(s)) being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 15.2 The approval of, and agreement to the Scheme by the requisite majority of the Shareholders and creditors of the Demerged Company and the Resulting Company, if required as may be directed by the NCLT on the application made for directions under the provisions of the Act. Such approval will be obtained from the Shareholders of the

Demerged Company by way of a resolution passed through e-voting and through voting in any other manner as required under applicable laws.

15.3 The sanction of the NCLT being obtained by the Demerged Company and by the Resulting Company under the applicable provisions of the Act.

15.4 The certified copies of order of the NCLT sanctioning the Scheme being filed with the concerned Registrar of Companies, Shillong.

16 EFFECT OF NON-APPROVALS

16.1 In the event of any of the approvals or conditions enumerated in Paragraph 15 above not being obtained or complied or for any reasons this Scheme cannot be implemented then the Board of Directors of the Demerged Company and the Resulting Company shall waive such conditions as they consider appropriate to give effect appropriately and, as far as possible, to this Scheme and failing such agreement or in case this Scheme is not sanctioned by the NCLT, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred, inter-se, between the Demerged Company and the Resulting Company or their respective Shareholders or creditors or any other person.

17 VALIDITY OF EXISTING RESOLUTIONS, ETC.

17.1 Upon the coming into effect of this Scheme, the resolutions, if any, of

the Demerged Company in relation to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of said limits in the Resulting Company.

18 MODIFICATION, WITHDRAWAL OR AMENDMENT TO THE SCHEME

- 18.1 Subject to approval from the NCLT, the Demerged Company and the Resulting Company through its respective Board of Directors are hereby empowered and authorized to assent from time to time to any modifications or amendments or substitution of this Scheme or to any conditions or limitations which the NCLT, SEBI, Central Government or any other statutory authorities may impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for bringing this Scheme into effect. The Demerged Company and the Resulting Company by their respective Boards of Directors are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such

consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the NCLT or any governmental authorities, which the Board of Directors of the Demerged Company or the Resulting Company find unacceptable for any reason, the Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme.

18.2 The Demerged Company and the Resulting Company, by their respective Board of Directors, or any such persons or committees of persons as authorized by the Boards, be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing the Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18.3 The Demerged Company and the Resulting Company through its respective Board of Directors are hereby empowered and authorized to withdraw this Scheme prior to the Effective Date in any manner and at any time.

19 NON-COMPETE

19.1 The Demerged Company shall not, directly or indirectly, compete with the Resulting Company's business of medium density fiberboard (MDF) for a period of 7 (seven) years from the Effective Date or such

reduced period, as may be mutually agreed between the Demerged Company and the Resulting Company.

- 19.2 Similarly, the Resulting Company shall not, directly or indirectly, expand its Plywood business (except to the extent of the Plywood business transferred along with the Demerged Undertaking; it being clarified that the Resulting Company shall not expand or increase the capacity of the Plywood unit transferred pursuant to this Scheme as well), for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Demerged Company and the Resulting Company.

20 USE OF TRADEMARKS AND BRAND NAMES

- 20.1 The Demerged Company and the Greenply Shareholder Group shall be entitled to use the trademarks/brand 'GREEN' with or without prefix/suffix (or any variant thereof) in respect of any future products. Similarly, the Resulting Company and the Greenpanel Shareholder Group shall be entitled to use the trademarks/ brand 'GREEN' with or without prefix/suffix (or any variant thereof) in respect of their future products.
- 20.2 Further, the Demerged Company and the Greenply Shareholder Group shall not be entitled to use the trademarks/ brand 'GREENPANEL' with or without prefix/suffix (or any variant thereof) in respect of any products after effectiveness of this Scheme. Similarly, the Resulting Company and the Greenpanel Shareholder Group shall not be entitled to use the trademarks/ brand 'GREENPLY' with or without

prefix/suffix (or any variant thereof) in respect any products after effectiveness of this Scheme.

21 REMAINING BUSINESS

Save and except the Demerged Undertaking of the Demerged Company and as expressly provided in this Scheme, nothing contained in this Scheme shall affect the Remaining Business of the Demerged Company which shall continue to belong to and be vested in and be managed by the Demerged Company.

22 DECLARATION OF DIVIDENDS

The Demerged Company shall be entitled to declare and pay dividends, whether interim or final, to its Shareholders in respect of the accounting period prior to the Effective Date. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any Shareholder of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Demerged Company and subject to the approval of the Shareholders of the Demerged Company.

23 COSTS, CHARGES & EXPENSES & STAMP DUTY

All costs, charges, stamp duty and any other expenses of the Demerged Company and the Resulting Company in relation to or in

connection with this Scheme and for carrying out and implementing/completing the terms and provision of the Scheme and/or incidental to the completion of the demerger of the Demerged Undertaking in pursuance of this Scheme shall be borne and paid in equal proportion between the Demerged Company and the Resulting Company.

24 DISQUALIFICATION OF INDEPENDENT DIRECTOR

The name of Ms. Sonali Bhagwati Dalal (DIN:01105028), Independent Director of the Demerged Company was published by the Ministry of the Corporate Affairs (“MCA”) on its website in the list of directors disqualified under Section 164(2) of the Companies Act, 2013. Subsequently a petition was filed by her before the Hon’ble High Court of Delhi pursuant to which, the Hon’ble High Court of Delhi has stayed the impugned list of Disqualified Directors to the extent it includes her name. To avail the Condonation of Delay Scheme, 2018, she has filed an appeal before the National Company Law Tribunal, New Delhi (“NCLT, New Delhi”) for revival of the concerned defaulting company (in relation to which she has been named as a defaulting director) and the appeal is pending for disposal. In view of the pendency of the appeal before the NCLT, New Delhi, the Hon’ble High Court of Delhi has vide its order dated May 07, 2018 extended the stay till disposal of the said appeal.

1007

No. of Pages..... 7 pages
Date of Presentation of Application for Copy..... 21/12/18
Royalty..... Nil
Total..... Nil
Date of Receipt..... Nil
Date of Copy..... Nil
Date of Preparation of copy.....
Date of Delivery of Copy.....

NATIONAL COMPANY LAW TRIBUNAL
BENCH AT GUWAHATI

CA (C.A.A.)/09 /GB/ 2018

Under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013;

In the matter of:

- 1) Greenply Industries LimitedFirst Applicant Company
- 2) Greenpanel Industries LimitedSecond Applicant Company

Order delivered on 12th December, 2018

Coram:

Present: Hon'ble Mr. Justice P.K. Saikia, Member (J)

For the applicant companies : Mr. Hemant Sethi, Advocate
Mr. Palash Moni Talukdar, Advocate

ORDER

1. The Counsel for the Applicants submits that the present Scheme is a Composite Scheme of Arrangement between Greenply Industries Limited ("**Demerged Company**") and Greenpanel Industries Limited ("**Resulting Company**") and their respective Shareholders and Creditors. The Second Applicant Company is 100% subsidiary of the First Applicant Company.
2. The Counsel for the Applicants further submit that the First Applicant Company is, *inter-alia*, engaged in the business of manufacturing, marketing and trading of Plywood, Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Block-boards, Decorative Veneers, Veneers, Doors and allied products. The Second Applicant Company, being newly incorporated, is *inter alia* authorized by its Memorandum of Association to do business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products.



3. The proposed demerger of the Demerged Undertaking envisaged in the Scheme is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Demerged Company and the Resulting Company:
- (i) *Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.*
 - (ii) *Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the shareholders of the Demerged Company.*
 - (iii) *Provide enhanced strategic flexibility in the operation of each of the aforementioned businesses.*
 - (iv) *Expanding the potential client / customer market for each business vertical.*
 - (v) *Access to various sources of funds and investments for the rapid growth of both the businesses.*
 - (vi) *Therefore, in view of the potential growth and profitability prospects, the Board of Directors of the Companies have proposed a business reorganisation for demerger of the Demerged Undertaking of the Demerged Company and vesting of the same with the Resulting Company under this Scheme under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Act.*
 - (vii) *This Scheme is expected to be in the beneficial interest of the shareholders and creditors of both the Companies. This Scheme is not expected to be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.*
4. The meeting of the Equity Shareholders of the First Applicant Company be convened and held at its Registered Office at Makum Road, Tinsukia-786125, Assam on 4th day of February, 2019 at 10:00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited (“Demerged Company”) and Greenpanel Industries Limited (“Resulting Company”) and their respective Shareholders and Creditors.
5. The First Applicant Company shall also give an option to the shareholders to vote through E-voting.
6. The meeting of the Creditors of the First Applicant Company be convened and held at its Registered Office at Makum Road, Tinsukia-786125, Assam on 4th day of February, 2019 at



11:30 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and Creditors.

7. That atleast one month before the said Meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held as aforesaid, a notice convening the said Meetings at the place, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 notified on 14th December 2016 and circular issued by the SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and the prescribed Form of Proxy, shall be sent by Hand delivery / Courier / Registered Post / Speed Post or through Email (to those shareholders and Creditors whose email addresses are duly registered with the First Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders and Creditors of the First Applicant Company, at their last known address or email addresses as per the records of the First Applicant Company.
8. That atleast one month before the meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meetings as aforesaid be published and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and circular issued by the SEBI on March 10, 2017 bearing no. CFD/DIL3/CIR/2017/21 (as amended from time to time) and the Form of Proxy can be obtained free of charge at the Registered Office of the First Applicant Company as aforesaid and / or at the office of its Advocates, at M/s. OMINIRA ASSOCIATES LLP, C/O R.N. Phukan, House No.19, Satya Sai Campus, Opp. Jor Pukhuri, UzanBazar, Guwahati-781001.



9. That the Notice of the Meetings of the Equity Shareholders and Creditors shall be advertised in two local newspapers viz. "Assam Tribune" in English language and translation thereof in "Dainik Janambhumi" in Assamese Language, circulated in the State of Assam and also in "Business Standard" (All English Edition) not less than 30 days before the date fixed for the meetings.
10. That Mr. Shiv Prakash Mittal, Executive Chairman of the First Applicant Company and failing him Mr. Susil Kumar Pal, Independent Director of the First Applicant Company shall be the Chairman of the aforesaid meetings of the Equity Shareholders and Creditors of the First Applicant Company to be held at its Registered Office at Makum Road, Tinsukia-786125, Assam, India, on 4th day of February, 2019 at 10:00 a.m. and 11:30 a.m. respectively or any adjournment or adjournments thereof.
11. That the Chairman appointed for the aforesaid meetings of the Equity Shareholders and Creditors of the First Applicant Company to issue the advertisements and send out the notices of the meetings referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
12. That the quorum of the aforesaid meeting of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013. The Quorum fixed for the meeting of Creditors will be 5 Creditors present in person or through proxy.
13. In case if the Quorum as noted above is not present at the meetings, then the meetings shall be adjourned by half-an-hour, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of quorum, valid proxies will also be considered, if the proxy in the prescribed form, duly signed by the persons entitled to attend and vote at the meeting is filed with the Registered Office of the First Applicant company atleast 48 hours before the meetings.

14. That voting by proxy be permitted, provided that a proxy in the prescribed form duly signed by the person entitled to attend and vote at the meetings, are filed with the First Applicant Company at its Registered Office at Makum Road, Tinsukia 786125, Assam not later than 48 hours before the aforesaid meetings.
15. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the Meeting shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.
16. That the value of the Creditors shall be in accordance with the books of Account of the First Applicant Company and where the amount is disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
17. That Dilip Kumar Sarawagi, of DKS & Co. (ACS 13020 C.P. NO. 3090), Practicing Company Secretaries, is hereby appointed as Scrutinizers of the aforesaid meetings of the Equity shareholders and Creditors of the First Applicant Company proposed to be held at its Registered Office at Makum Road, Tinsukia-786125, Assam, India, on 4th day of February, 2019 at 10:00 a.m. and 11:30 a.m. respectively and his remuneration is fixed as Rs. 25,000/- excluding taxes, for each meetings of Equity Shareholders and Creditors.
18. That the Chairman of the aforesaid meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
19. That the meeting of the Equity Shareholders of the Second Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited ("Demerged Company") and Greenpanel Industries Limited ("Resulting Company") and their respective Shareholders and

Creditors is dispensed with in view of consent affidavits given by all the Equity Shareholders of the Second Applicant Company as per their Original Consent Affidavits annexed as Annexures P1 to P7 to the Company Application.

20. That the meeting of the Creditor of the Second Applicant Company for the purpose of considering and, if thought fit, approving with or without modification(s) the Composite Scheme of Arrangement between Greenply Industries Limited (“Demerged Company”) and Greenpanel Industries Limited (“Resulting Company”) and their respective Shareholders and Creditors is dispensed with in view of consent affidavit given by the Sole Creditor of the Second Applicant Company as per their Original Consent Affidavit annexed as Annexure- O to the Company Application.

21. The First Applicant Company is directed to serve notices along with copy of scheme upon:-
(i) concerned Income Tax Authority within whose jurisdiction the First Applicant Company’s assessments are made i.e. ACIT Circle- Tinsukia, AAYAKAR BHAWAN, Bordoloi Nagar, TINSUKIA (ASSAM) PIN: 786125, having PAN NO: AAACG7284R (ii) the Central Government through the office of the Regional Director, Ministry of Corporate Affairs, Eastern Region, Shillong, (iii) Registrar of Companies, Ministry of Corporate Affairs, Shillong, (iv) BSE Limited (BSE) (vi) National Stock Exchange of India Limited (NSE), with a direction that they may submit their representations, if any, within a period of thirty (30) days from the date of receipt of such notice to the Tribunal and copy of such representations shall simultaneously be served upon the First Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

22. The Second Applicant Company is directed to serve notices along with copy of scheme upon:-
(i) concerned Income Tax Authority within whose jurisdiction the Applicant Company’s assessments are made i.e. ACIT Circle- Tinsukia, AAYAKAR BHAWAN, Bordoloi Nagar, TINSUKIA (ASSAM) PIN: 786125, having PAN NO: AAHCG1211B (ii) the Central Government through the office of the Regional Director, Ministry of Corporate Affairs, Eastern



Region, Shillong, (iii) Registrar of Companies, Ministry of Corporate Affairs, Shillong, with a direction that they may submit their representations, if any, within a period of thirty (30) days from the date of receipt of such notice to the Tribunal and copy of such representations shall simultaneously be served upon the Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

23. The First Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the Shareholders and Creditors, publication of notices in newspapers and service of notices to the regulatory authorities and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with .
24. The Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the regulatory authorities and do report to this Tribunal that the directions regarding the issue of notices have been duly complied.
25. Certified copies of this order, if applied for, be supplied to the parties upon compliance of all requisite formalities.


Member (Judicial)

National Company Law Tribunal
Guwahati Bench, Guwahati

Ashish



FREE OF COST COPY

CERTIFIED TO BE TRUE
OF THE ORIGINAL



National Company Law Tribunal
Guwahati Bench

Dy. No.: 1007/NCLT/G.B

Date: 21/12/18