GIL/2014-15
May 13, 2014

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

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

Dear Sir,

Sub: Court Convened Meeting of Creditors on June 07, 2014

With reference to the captioned subject we would like to inform that the Court Convened Meeting of the Creditors of the Company will be held on June 07, 2014 (Saturday) at 12:00 noon at Chitrashala Hall, Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001 for the purpose of considering and approving the proposed composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors. We are attaching herewith three copies of the notice of said Court Convened Meeting of the Creditors of the Company along with all the enclosures thereto, for your reference and record.

Kindly acknowledge receipt.

Thanking you,
Yours faithfully,
For **Greenply Industries Limited**

Kaushal Kumar Agarwal
Company Secretary &
Vice President-Legal

GREENPLY INDUSTRIES LIMITED

Registered Office : Makum Road, Tinsukia, Assam - 786 125
Corporate Office : 16A, Shakespeare Sarani, 2nd Floor, Kolkata - 700 071
Phone : 033 3051 5000, 2282 2175, Fax : 033 3051 5010
E-mail : kolkata@greenply.com ● Website : www.greenply.com
CIN : L20211AS1990PLC003484

COURT CONVENED MEETING OF THE CREDITORS

Day	:	Saturday
Date	:	7th June, 2014
Time	:	12:00 Noon
Venue	:	Chitrashala Hall Hotel Brahmaputra Ashok M. G. Road Guwahati - 781001

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COMPANY APPLICATION NO. 5 OF 2014

IN THE GAUHATI HIGH COURT

(IN THE HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

(COMPANY ORIGINAL JURISDICTION)

IN THE MATTER OF :

The Companies Act, 1956 or any statutory modification or any re-enactment thereof.

AND

IN THE MATTER OF :

An application under sections 100 to 104 and 391 to 394 of Companies Act, 1956.

AND

IN THE MATTER OF :

GREENPLY INDUSTRIES LIMITED
A company incorporated under the Companies Act 1956, having its registered office at Makum Road, Tinsukia, Assam – 786 125.

Applicant No.1
Demerged Company

AND

GREENLAM INDUSTRIES LIMITED
A company incorporated under the Companies Act 1956, having its registered office at Makum Road, Tinsukia, Assam – 786 125.

Applicant No. 2
Resulting Company

NOTICE CONVENING MEETING

To
The Creditors
GREENPLY INDUSTRIES LIMITED
Registered office at Makum Road, Tinsukia, Assam – 786 125.

TAKE NOTICE that by an order dated the 10th day of April, 2014, the Hon'ble Gauhati High Court has directed that a meeting of the Creditors of GREENPLY INDUSTRIES LIMITED, the Applicant No.1 , the Demerged Company shall be convened and held at Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001 on 07th June 2014 (Saturday), at 12:00 noon for the purposes of considering and if thought fit, approving, with or without modification, the proposed composite Scheme of Arrangement between GREENPLY INDUSTRIES LIMITED, the Applicant No.1 and GREENLAM INDUSTRIES LIMITED, the Applicant No. 2 and their respective members and creditors.

Take further notice that in pursuance of the said order, a meeting of the Creditors of the GREENPLY INDUSTRIES LIMITED, the Applicant No.1, the Demerged Company shall be convened and held at Chitrashala Hall, Hotel Brahmaputra Ashok, M. G. Road, Guwahati - 781001 on 07th June 2014 (Saturday), at 12:00 noon when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form duly signed and deposited at the Registered Office of Greenply Industries Limited, the Applicant No.1 as aforesaid not later than 48 hours before the meeting.

The Court has appointed Mr. Manjit Kumar Das, Advocate, failing him, Ms. Anurupa Dey, Advocate to be the chairperson of the meeting of the creditors of Greenply Industries Limited, the Applicant No.1.

A copy of the said Scheme of Arrangement, the Statement under section 393 of the Companies Act, 1956 and a form of proxy is enclosed herewith.

Dated this 23rd day of April, 2014.

Sd/-
Chairperson
Manjit Kumar Das
Appointed for the meeting of the creditors of Greenply Industries Limited.

N.B – All alteration(s) made in the Form of proxy should be initialled.

Drawn By :

Sd/-
Jyotirmoy Roy
Advocate for the Applicants
C/O Eastern Attorneys, Advocates and Legal Consultants
Nawjan Apartments, 2nd Floor, Unit – 4
Nawjan Road, Uzan Bazar, Chariali, Guwahati – 781001.

Settled by :
Sd/-
Registrar General
Gauhati High Court.
Guwahati

DISTRICT : TINSUKIA

IN THE GAUHATI HIGH COURT

(IN THE HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

(COMPANY ORIGINAL JURISDICTION)

COMPANY APPLICATION NO.5 OF 2014

IN THE MATTER OF :
The Companies Act, 1956 or any statutory modification or any re-enactment thereof.

AND

IN THE MATTER OF :
An application under sections 100 to 104 and 391 to 394 of Companies Act, 1956.

AND

IN THE MATTER OF :
GREENPLY INDUSTRIES LIMITED
A company incorporated under the Companies Act 1956, having its registered office at Makum Road, Tinsukia, Assam – 786 125.

Applicant No.1
Demerged Company

AND

GREENLAM INDUSTRIES LIMITED
A company incorporated under the Companies Act 1956, having its registered office at Makum Road, Tinsukia, Assam – 786 125.

Applicant No. 2
Resulting Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE COMPOSITE SCHEME OF ARRANGMENT BETWEEN GREENPLY INDUSTRIES LIMITED AND GREENLAM INDUSTRIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

1. The accompanying notice is being sent pursuant to the applicable provisions of Companies Act, 1956, Companies Act, 2013 and the Securities and Exchange Board Circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No CIR/CFD/DIL/8/2013 dated 21st May, 2013, for convening separate meetings of the Equity Shareholders and creditors of Greenply Industries Limited, (hereinafter referred to as “Greenply” or “Applicant No.1” or “Demerged Company”) and meeting of the Equity Shareholders of Greenlam Industries Limited (hereinafter referred to as “Greenlam” or “Applicant No.2” or “Resulting Company”) for the purpose of considering and if thought fit, approving, with or without modification, the proposed composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors for the demerger of Demerged Undertaking of Greenply Industries Limited to Greenlam Industries Limited. The detailed terms of the Scheme will appear from the enclosed copy of the Scheme.

2. Pursuant to the order dated 10th April 2014, the Hon’ble Gauhati High Court has directed that separate meetings of the Equity Shareholders and Creditors of Greenply Industries Limited be convened and held, respectively at 11:00 a.m. and 12:00 noon on Saturday, the 7th day of June, 2014 at Chitrashala Hall, Hotel Brahmputra Ashok, M.G.Road, Guwahati-781001for the purpose of considering and, if thought fit, approving with or without modification(s), the said Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors.

3. Similarly, the said order dated 10th April, 2014, directs that a meeting of the Equity Shareholders of Greenlam Industries Limited be convened and held at 1:00 p.m. on Saturday, the 7th day of June, 2014 at Chitrashala Hall, Hotel Brahmputra Ashok, M.G.Road, Guwahati-781001 for the purpose of considering and, if thought fit, approving with or without modification(s), the said Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors. The Applicant No. 2 has no creditors.

   The resolution to be submitted at the said meetings will read as follows:

   "RESOLVED THAT pursuant to sections 100 to 104 and 391 to 394 of the Companies Act, 1956 (the Act) and Rules 67 to 87 of the Companies (Court) Rules, 1959 (the Rules) and other applicable provisions, if any, of the Act and the Rules and subject to sanction by the Hon'ble Gauhati High Court and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble Gauhati High Court or appropriate authorities, the composite Scheme of Arrangement between Greenply Industries Limited (Demerged Company) and Greenlam Industries Limited (Resulting Company) in terms of the draft scheme of Arrangement laid before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.

   RESOLVED FURTHER THAT the Board of Directors, Director or Company Secretary of the Company be and is hereby authorised to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all steps as may be necessary or desirable to give effect to this resolution"

4. The Demerged Company was originally incorporated as Mittal Laminates Private Limited on 28.11.1990. It was thereafter converted into a public limited company and name of the company was changed to Mittal Laminates Limited pursuant to a fresh certificate of incorporation dated 01.11.1994. Further, the name was changed to Greenply Industries Limited pursuant to a fresh certificate of incorporation dated 17.01.1996 issued by the Registrar of Companies, Shillong and it continues to operate since its incorporation with its registered office at Makum Road, Tinsukia, Assam - 786125. The Demerged Company was listed on BSE Limited on 19.04.1995 and on National Stock Exchange of India Limited on 06.03.1996.

5. The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 30.09.2013 is as under:

   Greenply (Demerged Company)

Authorized Share Capital:	Amount in INR
3,20,00,000 equity shares of INR 5.00 each	16,00,00,000.00
50,00,000 Cumulative Redeemable Preference Shares of INR 10.00 each	5,00,00,000.00
Issued, Subscribed and Paid-up Share Capital:	
2,41,36,374 equity shares of INR 5.00 each	12,06,81,870.00

6. Since the date mentioned above i.e. 30.09.2013, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

7. The objects for which the Demerged Company was formed are as set forth in the Memorandum of Association of the Demerged Company. The main objects of the Demerged Company as set out in its Memorandum of Association are as follows:

   i. "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.

   ii. 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.

   iii. 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.

   iv. 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.

   v. 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.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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 orany 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".

8. The accounts of the Demerged Company as on 31st March 2013 have been duly audited. The said accounts of the Demerged Company have been duly approved by the Board of Directors of the Demerged Company and also adopted at the Annual General Meeting of shareholders held on 23.08.2013.

9. The Resulting Company i.e. Greenlam Industries Limited is a new Company which is incorporated on 12.08.2013 vide certificate of incorporation number U21016AS2013PLC011624 dated 12.08.2013. The Registered office of the Resulting Company is situated at Makum Road, Tinsukia, Assam - 786125. The Resulting Company is wholly owned subsidiary of the Demerged Company since its incorporation.

10. The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 30.09.2013 is as under:

Greenlam (Resulting Company)

Authorized Share Capital:	Amount in INR
20,00,000 equity shares of INR 5.00 each	1,00,00,000.00
Issued, Subscribed and Paid-up Share Capital:	
1,00,000 equity shares of INR 5.00 each	5,00,000.00

11. Since the date mentioned above i.e. 30.09.2013, there has been no change in the authorized, issued, subscribed and paid up share capital of the Resulting Company.

12. The objects for which the Resulting Company was formed are as set forth in the Memorandum of Association of the Resulting Company. The main objects of the Resulting Company as set out in its Memorandum of Association are as follows:

"To carry on business as manufacturers, traders, exporters, importers, dealers, wholesalers, retailers, service providers, commission agents, of 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."

13. The accounts of the Resulting Company since its incorporation on 12.08.2013 till 25.09.2013 are duly prepared, drawn and audited and also approved by the Board of Directors of the Resulting Company at its meeting held on 30.09.2013.

14. The Demerged Company and the Resulting Company are empowered and entitled to demerge/ reconstruct and enter into a scheme of arrangement under their respective Memorandum of Associations vide Clause number III (B)(6A) of the Demerged Company and Clause number III (B)(20) of the Resulting Company.

15. The assets and liabilities of the Demerged Undertaking (as defined in the accompanying Scheme) shall be transferred by Demerged Company to Resulting Company from the Appointed Date (as defined in the accompanying Scheme) in terms of the scheme at their respective book values in compliance of section 2(19AA) of the Income Tax Act, 1961.

16. The Scheme provides for the rationale of the Scheme of Arrangement which are:

    a. Demerged Company is engaged in the business of manufacturing and marketing of a wide range of interior infrastructure and surface finish products including plywood, laminates, veneers, Medium Density Fibreboard ("MDF") and their allied products.

    b. The equity shares of the Demerged Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

    c. The Resulting Company is a new company incorporated to undertake the business as manufacturers, traders, exporters, importers, dealers, wholesalers, retailers, service providers, commission agents, of 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 as 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.

    d. The nature of technology, risk, competition and capital intensity involved in each of the undertakings of Demerged Company i.e. Greenply is distinct from each other. Consequently, each undertaking of Greenply 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 re-organization plan, it is considered desirable and expedient to re-organize and reconstruct Greenply by demerging the Demerged Undertaking to Greenlam in the manner and on the terms and conditions contained in the Scheme of Arrangement.

    e. The demerger is likely to enable the business and activities comprised in the Demerged Undertaking and remaining business and activities of Greenply to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings of Greenply will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses.

    f. The demerger seeks to create a new platform for independent growth of the Decorative Business, while allowingGreenply to concentrate its growth efforts in the plywood and MDF businesses in a more focused manner thereby strengthening Greenply's and Greenlam's market leadership.

    g. Pursuant to the issue and allotment of shares in terms of the Scheme, the shareholders of Greenply shall hold shares in two companies, i.e. in Greenply and in Greenlam. It gives the shareholders the ability to continue to remain invested in both or either of the two companies giving them greater flexibility in managing and/or dealing with their investments.

    h. The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the Greenply. The Scheme is in the interest of the shareholders, creditors and all other stakeholders of Greenply and shall not in any manner be prejudicial to the interests of shareholders and creditors or general public at large. The restructuring under the Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

17. The salient features of compromise and the scheme of arrangement are as under:

    I. TRANSFER OF UNDERTAKING

    a. With effect from the Appointed Date, without any further act, deed, instrument, matter or thing, the Demerged Undertaking shall be demerged and transferred to or shall be deemed to have been transferred to and vested in Greenlam as a going concern for all the estate and interest of Greenply therein in accordance with and subject to the modalities for transfer and vesting stipulated in the scheme.

    b. **Transfer of movable property:**

    In respect of such of the assets of the Demerged Undertaking including cash and bank balances relating to the day to day operations and specific to the working of the Demerged Undertaking, as are movable in nature or otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by Greenply, without requiring any deed or instrument of conveyance for the same and shall become the property of Greenlam accordingly and as an integral part of the Demerged Undertaking transferred to Greenlam.

c. **Transfer of immovable property:**

In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in para above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Greenlam pursuant to the provisions of section 394(2) of the Companies Act, 1956. Greenlam shall under the provisions of the Scheme be deemed to be authorized to execute any such instruments, deeds and writings on behalf of Greenply to implement or carry out all such formalities or compliances on the part of Greenply and to be carried out or performed in order to give effect to the provisions of this para. With effect from the Appointed Date, Greenlam 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 such immovable properties. The mutation of title/ assignment of leases in respect of the immovable properties in the name of Greenlam shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and on the Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of Greenlam.

d. **Transfer of liabilities:**

(i) All debts, liabilities, duties and obligations of Greenply relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date and as appearing in the books of account of Greenply in relation to the Demerged Undertaking, including proportionate amount of general and multipurpose borrowings determined in accordance with section 2(19AA) of the Income Tax Act, 1961 shall also be transferred or shall deemed to be transferred to Greenlam, without any further act or deed, pursuant to the provisions of section 394(2) of the Companies Act, 1956 so as to become the debts, liabilities, duties and obligations of Greenlam.

(ii) The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof which are subsisting on transfer of such assets to Greenlam and relating to the liabilities of the Demerged Undertaking which are also transferred to Greenlam. The assets transferred shall stand free from all other charges, mortgages and encumbrances.

As per the Scheme, such charges, mortgages and/or encumbrances shall not extend over or apply to any other asset(s) of Greenlam and any reference in any security documents or arrangements (to which Greenply is a party) to any assets of Greenply shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Greenlam. Greenlam shall also not be required to create any additional security over the assets of the Demerged Undertaking acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by Greenply up to the Effective Date, and the charges, mortgages, and/or encumbrances in respect of such indebtedness of Greenply shall not extend or be deemed to extend or apply to the assets of Demerged Undertaking so acquired by Greenlam.

The Scheme further clarifies and provides that the transfer of the Demerged Undertaking to Greenlam shall not affect the subsisting charges, mortgages and encumbrances over the Retained Undertaking (as defined in the Scheme) or any part thereof and such charges, mortgages and encumbrances shall continue to be applicable in respect of such Retained Undertaking save and except that such Retained Undertaking shall stand freed from all charges, mortgages and encumbrances relating to liabilities relating to Demerged Undertaking and which are transferred to Greenlam. Further, Greenlam 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, in favour of any of the creditors of Greenply pertaining to the Demerged Undertaking or to any other party to any contract or arrangement to which Greenply is a party to, or any writings as may be necessary to be executed in order to give formal effect to the aforesaid provisions.

e. **Creditors' interest:**

The Scheme shall be deemed to ensure that any amount owing by Greenply as on the Appointed Date, or at any time thereafter, is owned either by Greenply or Greenlamsuch that the liabilities and debts pertaining to the Demerged Undertaking are taken over by Greenlam and those pertaining to the Retained Undertaking continue to be the debts or liabilities of Greenply. 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 and shall cease to have effect on the assets of the Retained Undertaking. Likewise, any charge, security interest, lien, statutory lien or statutory charge pertains to any assets of the Retained Undertaking shall continue to have effect only on the assets of the Retained Undertaking and shall cease to have effect on the assets of the Demerged Undertaking.

Subject to the para 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 Greenply, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in Greenlam.

f. **Transfer of intellectual property and availment of benefits:**

Subject to other provisions of the Scheme, all entitlements, licenses, permissions, approvals, clearances, authorizations, consents, brands, trademarks, copyrights, patents, other intellectual property rights registrations and no-objection certificates obtained by Greenply for the operations of the Demerged Undertaking and/or to which Greenply 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 Greenlam, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of Greenlam. Since the Demerged Undertaking will be transferred to and vested in Greenlam as a going concern without any break or interruption in the operations thereof, Greenlam 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 Greenply 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, Entry Tax, Octroi, Service Tax and other taxes, incentives and duties to which Greenply 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 Greenlam upon this Scheme becoming effective.

g. **Treatment of tax:**

(i) It is clarified that all taxes and duties payable by Greenply, accruing and relating to the operations of the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims of Greenlam. Accordingly, upon this Scheme becoming effective, Greenply is expressly permitted to revise, and Greenlam is expressly permitted to file their respective income tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The claims for Advance Income Tax payments and Tax Deducted at Source by Greenply and Greenlam shall be in the ratio of computed taxable income of both the companies.

(ii) All the expenses incurred by Greenply and Greenlam in relation to the Scheme including stamp duty expenses shall be allowed as deduction to each of Greenply and Greenlam in accordance with Section 35DD of the Income Tax Act,1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.

(iii) All expenses paid by Greenply under Section 43B of the Income Tax Act, 1961, in relation to the Demerged Undertaking, shall be claimed as a deduction by Greenlam and the transfer of Demerged Undertaking shall be considered as succession of business by Greenlam.

(iv) All tax benefits being claimed by Greenply in relation to its Demerged Undertaking under the Income Tax Act, 1961, including but not limited to Section 80-IC of the Income Tax Act 1961, shall be transferred to Greenlam pursuant to the Scheme.

h. **Reimbursement of payments:**

On and from the Effective Date, if there is a payment received or benefit or set-off availed by any Party (Receiving Party), which pertains to a property vested in the other party (Relevant Party), pertaining to a period after the Appointed Date, then the Receiving Party must immediately make such payment over to the Relevant Party, without any demand by the Relevant Party and in any case not later than 14 days from the date of receipt thereof. Likewise, if there is a payment to be made or cost to be incurred by any party (Paying Party) relating to a property vested in the other party (Relevant Party), pertaining to a period after the Appointed Date, then the Paying Party would be entitled to immediately recover such payment from the Relevant Party, immediately upon demand and in any case not later than 14 days from the date of demand thereof.

i. **Treatment of contingent liabilities:**

(i) The Scheme provides, subject to provisions of sub-para (ii) below, any contingent liability showing in the books of Greenply as on the Appointed Date shall be assumed by Greenply and Greenlam such that Greenlam takes over all such liabilities, which, on the Appointed Date, pertain to the Demerged Undertaking, and accordingly, the contingent liabilities of Greenply, on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by Greenlam as aforesaid.

(ii) 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 amendment, revision, further issuance or replacement thereof, or in or about the matter covered by the aforesaid show cause notices ("Excise Notices"), the Parties affirm that any Liability arising out of the Excise Notices for period up to March 31, 2017 and which is finally adjudicated and/or settled by March 31, 2020; 27% of the finally adjudicated/ settled Liability amount shall be reimbursed by Greenlam to Greenply.

It is hereby clarified that, for the purpose of the sub para (ii) above :(a) "Liability" shall include duty, penalty, interest or any amount paid on composition; (b) "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.

j. The Retained Undertaking shall be retained by Greenply and activities pertaining to the said Retained Undertaking shall be carried out in the same manner as were being carried out before coming into effect of the Scheme.

k. The assets and liabilities of the Demerged Undertaking shall be transferred to Greenlam from the Appointed Date in terms of this Scheme at their respective book values in compliance of section 2(19AA) of the Income Tax Act, 1961.

l. **Transfer of legal proceedings:**

All legal, or other proceedings by or against Greenply in connection with or pertaining to or relating to the Demerged Undertaking pending on the Effective Date, shall be continued and enforced by or against Greenlam instead of Greenply, as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against Greenply, in the absence of this Scheme.

m. **Transfer of contracts and deeds:**

(i) Subject to the other provisions contained in the Scheme all contracts, deeds, bonds, agreements schemes, tenancy rights, lease contracts, incentives, benefits, exemptions, waiver, entitlements, arrangements and other instruments of whatsoever nature relating to the Demerged Undertaking to which Greenply is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of Greenlam and may be enforced as fully and effectually as if, instead of Greenply, Greenlam had been a party thereto.

(ii) Greenlam 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, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Greenply is a party or any writings as may be necessary to be executed in order to novate or give formal effect to the above provisions. Greenply will, if necessary, also be a party to the above as a confirming party with no obligation cast on or assumed upon Greenply. Greenlam shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings and to carry out or perform all such formalities or compliance referred to above as may be deemed proper and necessary for effectuating the transfer and vesting of the Demerged Undertaking to Greenlam.

(iii) Greenply shall not, directly or indirectly, compete with Greenlam's business of high pressure laminates and compact laminates for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Parties.

(iv) Similarly, Greenlam shall not, directly or indirectly, compete with Greenply's business of plywood, block boards, plain wood- based fibre boards and plain particle boards for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Parties.

II. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the properties and liabilities of the Demerged Undertaking and the continuance of the proceedings by or against Greenlam as per the provisions hereof shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by Greenply on or before the Effective Date to the end and intent that Greenlam accepts all acts, deeds and things relating to the Demerged Undertaking done and executed by and/or on behalf of Greenply as acts deeds and things done and executed by and on behalf of Greenlam.

III. EMPLOYEES

(a) Greenlam undertakes to engage, on and from the Effective Date, all the employees of Greenply engaged in the Demerged Undertaking on the same terms and conditions on which they are engaged by Greenply without any interruption of service as a result of the transfer of the Demerged Undertaking to Greenlam. Greenlam agrees that the services of all such employees with Greenply up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

(b) Accordingly, the services of such employees for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with Greenply.

(c) The accumulated balances, if any, standing to the credit of the employees of the Demerged Undertaking in the existing provident fund, gratuity fund, superannuation fund and other funds, if any, of which they are members will be transferred to such provident fund, gratuity fund, superannuation fund and other funds nominated by Greenlam and/or such new provident fund, gratuity fund, superannuation fund and other funds to be established and caused to be recognised by the concerned authorities by Greenlam. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited by Greenlam in the existing provident fund, gratuity fund, superannuation fund and other funds respectively.

IV. TRANSACTIONS BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

(a) Greenply undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and Greenply shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for Greenlam.

(b) All the assets and liabilities resulting from the operations of the Demerged Undertaking from the Appointed Date onwards shall stand transferred to and vested in Greenlam on the Effective Date. Further, it is understood that, for the purpose of identification of any liabilities that arise subsequent to the Appointed Date, as to their annexation with Demerged Undertakings or Retained Undertaking, the following rules shall apply:

(i) If a liability relates to or arises in relation to any specific asset or assets prior to the Appointed Date, such liability shall be attributed to the Demerged Undertaking or Retained Undertaking to which the relevant asset or assets belong;

(ii) If a liability relates to or arises in relation to a place where the business was being carried on prior to the Appointed Date, such liability shall be attributed to the Demerged Undertaking and Retained Undertaking to which the relevant place of business belongs.

(c) All incomes and profits accruing to Greenply (including taxes paid thereon) or expenses and losses arising or incurred by it relating to the Demerged Undertaking for the period falling on and after the Appointed Date shall for all purposes, be treated as the incomes, profits (including taxes paid) or expenses and losses, as the case may be of Greenlam.

(d) Greenply shall be deemed to have held and stood possessed of the Demerged Undertaking to be transferred to Greenlam for and on account of and in trust for Greenlam and, accordingly, Greenply shall not (without the prior written consent of Greenlam) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by Greenply prior to the Appointed Date.

(e) With effect from the Appointed Date, Greenply has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence. All accretions and depletions to the Demerged Undertaking shall be and for and on account of Greenlam.

V. ISSUE OF SHARES BY GREENLAM

(a) Upon the Scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, Greenlam shall, without further application, issue and allot to the shareholders of Greenply whose names appear in the register of members of Greenply as on the Record Date, 1 (One) equity share of INR 5.00 (Indian Rupees Five only) each in Greenlam, credited as fully paid up for every 1 (One) equity share of INR 5.00 (Indian Rupees Five only) each held by them in Greenply.

(b) Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of the Scheme as mentioned in para above, all existing equity shares held by the existing shareholders of Greenlam, shall stand cancelled, without any further act or deed. The reduction of capital of Greenlam 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 the creditors of Greenlam shall be deemed to be their consent under the provisions of Section 100 and all other applicable provisions of the Companies Act, 1956 to such reduction of capital of Greenlam and Greenlam shall not be required to convene any separate meeting for that purpose. The order of the Hon'ble High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956. Notwithstanding the reduction of subscribed and paid-up equity share capital of Greenlam, Greenlam shall not be required to add "And Reduced" as suffix to its name.

(c) Such new equity shares issued by Greenlam shall pursuant to circular issued by Securities Exchange Board of India on 4 February, 2013 bearing no. CIR/CFD/DIL/05/2013 (read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) 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 Greenply are listed and/or admitted to trading i.e. Greenply and Greenlam shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

(d) In respect of the shareholding of the members in Greenply held in dematerialized form, the equity shares in Greenlam shall, subject to applicable regulations, also be issued to them in the dematerialized form pursuant to para above with such shares being credited to the existing depository accounts of the members of Greenply entitled thereto, as per records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date, unless otherwise notified in writing by the members of Greenply.

(e) In respect of shareholding of the members in Greenply held in the physical form, the equity shares in Greenlam shall be issued to such members in physical form. Members of Greenply desirous of receiving the new shares in Greenlam in dematerialized form should have their shareholding in Greenply dematerialized on or before the Record Date. However, nothing contained in this para shall prohibit or restrict the right of a member to apply for dematerialized shares of Greenlam after allotment of shares of Greenlam in terms of para above.

(f) Pursuant to and upon this Scheme becoming effective, Greenlam shall take necessary steps to increase and alter its authorized share capital suitably to enable Greenlam to issue and allot the equity shares in Greenlam to the shareholders of Greenply in terms of the Scheme.

(g) The equity shares in Greenlam allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

(h) Till the listing of the equity shares of Greenlam to be issued pursuant to this Scheme, there shall be no change in the pre-arrangement capital structure and shareholding pattern or control in Greenlam which may affect the status of the approval of the stock exchanges to this Scheme.

(i) Equity shares of Greenlam are allotted to the members of Greenply in terms of this Scheme by virtue of their interest in Greenply as a whole, including the Demerged Undertaking. The interest of the said members in the Demerged Undertaking shall in effect be continued throughGreenlam after the demerger. For the purpose of availing exemption under Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, the promoters of Greenply, shall be deemed to have been the promoters of Greenlamfor the same duration they have been the promoters of Greenplyand this recognition shall be available on the listing of the equity shares of Greenlam. Statutory exemptions for the transfer of shares of Greenlamamongst the Greenply Shareholder Group and the Greenlam Shareholder Group (the terms shall have the meaning as defined in the Scheme) shall be deemed to be available to the Greenply Shareholder Group and GreenlamShareholderGroup under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (the “Takeover Code”) as detailed in below.

(j) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of Greenply, the Board of Directors or any committee thereof of Greenply shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Greenply 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 Greenlam issued by Greenlam after the effectiveness of this Scheme.

(k) For the purpose of issue of equity shares to the members of Greenply, Greenlam shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by Greenlam of such equity shares.

(l) Unless otherwise determined by the Board of Directors of Greenply and the Board of Directors of Greenlam, allotment of shares in terms of the Scheme shall be done within 90 days from the Effective Date.

(m) Upon coming into effect of this Scheme, Clause (V) of the Memorandum of Association of Greenlam shall, without any further act, deed or instrument, be substituted by the following clause:

“The Authorised Share Capital of the Company shall be Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 3,00,00,000 (three crores) Equity Shares of Rs. 5/- (Rupees five only) each with the right, privileges and conditions attached thereto as are provided by the Regulations of the Company for the time being, with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the Company.”

VI. ACCOUNTING TREATMENT

(a) **Accounting treatment in the books of Greenply**

(i) The assets and liabilities of the Demerged Undertaking shall be recorded in the books and account of Greenlam at their values as appearing in the books of account of Greenply as on the Appointed Date. Accordingly, the book value of assets of the Demerged Undertaking shall be deducted, on line by line basis, from the book value of assets of Greenply, and book value of liabilities of Demerged Undertaking shall be deducted, on line by line basis, from the book value of liabilities of Greenply. The net impact, of the assets and liabilities transferred, by Greenply, shall be adjusted in the following sequence:

1. Capital reserves;
2. Capital redemption reserve;
3. Securities premium account;
4. General reserve;
5. Surplus in Profit & Loss account.

(ii) The investment by Greenply in Greenlam (in the form of share capital) shall stand cancelled.

(iii) The reduction in the reserves of the Greenply shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 104 of the Companies Act, 1956 and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Companies Act, 1956 for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Companies Act, 1956 will not be applicable.

(iv) Subject to the aforesaid, the Board of Directors of Greenply and Greenlam shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said companies, while complying with generally accepted accounting standards as applicable.

(v) Any amounts received by Greenplyas reimbursement from Greenlamin terms of para 4.9(b) of the Scheme shall be treated as a 'capital receipt' received pursuant to the overall reorganisation of Greenply in terms of this Scheme.

(b) **Accounting treatment in the books of Greenlam**

(i) Upon the effectiveness of the Scheme and allotment of shares by Greenlam pursuant to the Scheme and pursuant to paratitled as 'Issue of Shares By Greenlam', the pre scheme issued, paid up and subscribed share capital of Greenlam shall be cancelled and reduced under section 100 of the Companies Act, 1956 to the extent of the shares held by Greenply in Greenlam simultaneous with the issue of equity shares to the shareholders of Greenply.

(ii) The difference between (i) Net worth of the Demerged Undertaking, and (ii) the paid up share capital of Demerged Undertaking as issued in pursuance of this Scheme, netted by existing share capital cancelled in terms of this Scheme, shall be treated as free reserves of Greenlam as on the Appointed Date.

(iii) On effectiveness of the Scheme and with effect from the Appointed Date:

1. Greenlam shall record the assets and liabilities of the Demerged Undertaking of Greenply vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Greenply, at the close of business of the day immediately preceding the Appointed Date;
2. Greenlam shall credit the aggregate face value of the new equity shares issued by it to the shareholders of Greenply pursuant to para 8 of the Scheme titled as 'Issue of Shares By Greenlam' of this Scheme to the share capital account in its books of accounts;
3. the difference, between the amounts credited to the share capital account and the book value of net assets as per sub-para9.2(c) (i) of the Scheme shall, after making an adjustment on account of cancellation of share capital pursuant to sub-para9.2(a) of the Scheme, be debited by Greenlam to its goodwill or credited to its General reserve account, as the case may be.

18. Although salient features of the scheme have been detailed above, you are requested to read the entire text of the composite Scheme of Arrangement to get fully acquainted with the provisions thereof.

19. The Board of Directors of the Demerged Company and the Resulting Company have approved and consented to the proposed scheme of arrangement vide board resolutions both dated 30.09.2013.

20. Upon sanction of the Scheme of Arrangement by the Hon'ble Court and upon consideration of the Demerger of the Demerged Undertaking to the Resulting Company, the Resulting Company shall without any further act, deed or obligation, issue and allot Equity Shares (hereinafter referred to as New Equity Shares) of INR 5.00 each on a proportionate basis to each member of the Demerged Company whose name is recorded in the register of members of the Demerged Company as holding equity shares on the Record date (as defined in the scheme) in ratio of 1 (one) equity share of Resulting Company to be issued for 1 (one) equity share of the Demerged Company held by the member.

21. The proposal for the composite Scheme of Arrangement was placed before the Audit Committee of the Demerged Company at its meeting held on 30.09.2013 and the same was approved by the Audit Committee vide its report dated 30.09.2013. The Board of Directors of the Demerged Company and the Resulting Company have accepted the report dated 30.09.2013 of S. P. Shaw & Co., Chartered Accountants, on the recommendations of ratio for the issue of equity shares of Resulting Company to Shareholders of Demerged Company in consideration of Demerger of Decorative Business of Demerged Company vide board resolutions both dated 30.09.2013. Copies of the said report, fairness opinion and other documents submitted to the Stock Exchanges are also displayed on the website of the Demerged Company at *http://www.greenply.com/scheme-of-arrangement* and the websites of the Stock Exchanges where the shares of the Demerged Company are listed, in terms of the Securities Exchange Board of India circular CIR/CFD/DIL/5/2013 dated February 4, 2013. These documents are also available for inspection as specified in paragraph 32 of this statement.

22. Compliance report with requirements specified in Part A of the Securities Exchange Board of India circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 has been filed with the relevant stock exchanges on 30 October, 2013 alongwith all the relevant enclosures.

23. The NSE as well as BSE have independently issued their respective no objections to the Scheme of Arrangement on 25.03.2014. In further compliance, all the relevant information has been uploaded on the website of the Demerged Company and no complaint was received by the Demerged Company in relation to the Scheme of Arrangement till filing of the Complaints Report with the relevant stock exchanges.

24. The aggregate assets of the Demerged Company and Resulting Company are more than sufficient to meet all the liabilities of their respective Creditors and the said Scheme will not adversely affect the rights of any of the Creditors of the Demerged Company and Resulting Company in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in the usual course.

25. Except the demerged business of the Demerged Company and as expressly provided in the Scheme of Arrangement nothing contained in the Scheme of Arrangement shall affect the rest of assets, liabilities and business of the Demerged Company which shall continue to belong to and be vested in and be managed by the Demerged Company.

26. None of the Directors of the Demerged Company and/or the Resulting Company have any material interest in the said Scheme of Arrangement except as shareholders in general, the extent of which will appear from the register of directors' shareholding maintained by the Demerged Company and the Resulting Company respectively.

27. No investigation/proceedings have been instituted or are pending under Section 235 to 251 of the Companies Act, 1956 and/or under any other provisions of the Companies Act, 1956 or under any provisions of the Companies Act, 2013 or any other law, against the Demerged Company or the Resulting Company.

28. The pre/post arrangement shareholding pattern and capital structure of the Demerged Company and Resulting Company as per clause 24(h) of the listing agreement are as follows:

    (a) The pre-arrangement shareholding pattern of the Demerged Company as of 31.03.2014 and post-arrangement shareholding pattern immediately after allotment of shares pursuant to the Scheme of Arrangement of the Demerged Company is as under:

Category code	Category of shareholder	Pre-Arrangement			Post-Arrangement (expected)		
		No. of shareholders	Number of shares	Percentage	No. of shareholders	Number of shares	Percentage
(A)	**Promoter and Promoter Group**						
(1)	**Indian**						
(a)	Individuals/ Hindu Undivided Family	13	4318636	17.89	13	4318636	17.89
(b)	Central Government/ State Government(s)	0	0	0.00	0	0	0.00
(c)	Bodies Corporate	4	8956364	37.11	4	8956364	37.11
(d)	Financial Institutions/ Banks	0	0	0.00	0	0	0.00
(e)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (A)(1)	**17**	**13275000**	**55.00**	**17**	**13275000**	**55.00**

Cate-gory code	Category of shareholder	Pre-Arrangement			Post-Arrangement (expected)		
		No. of shareholders	Number of shares	Percentage	No. of shareholders	Number of shares	Percentage
(2)	**Foreign**						
(a)	Individuals (Non-Resident Individuals/ Foreign iduals)	0	0	0.00	0	0	0.00
(b)	Bodies Corporate	0	0	0.00	0	0	0.00
(c)	Institutions	0	0	0.00	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(e)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (A)(2)	**0**	**0**	**0.00**	**0**	**0**	**0.00**
	Total Shareholding of Promoter and Promot-er Group (A)= (A)(1)+(A)(2)	**17**	**13275000**	**55.00**	**17**	**13275000**	**55.00**
(B)	**Public shareholding**						
(1)	**Institutions**						
(a)	Mutual Funds/UTI	3	1561537	6.47	3	1561537	6.47
(b)	Financial Institutions/ Banks	0	0	0.00	0	0	0.00
(c)	Central Government/ State Government(s)	0	0	0.00	0	0	0.00
(d)	Venture Capital Funds	0	0	0.00	0	0	0.00
(e)	Insurance Companies	0	0	0.00	0	0	0.00
(f)	Foreign Institutional Investors	11	3683041	15.26	11	3683041	15.26
(g)	Foreign Venture Capital Investors	0	0	0.00	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(i)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (B)(1)	**14**	**5244578**	**21.73**	**14**	**5244578**	**21.73**
(2)	**Non-institutions**						
(a)	Bodies Corporate	197	510505	2.12	197	510505	2.12
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	3377	721537	2.99	3377	721537	2.99
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	16	4304050	17.83	16	4304050	17.83
(c)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(d)	Any Other (specify)						
(d-i)	NRI	77	69009	0.29	77	69009	0.29
(d-ii)	Clearing Members	37	8209	0.03	37	8209	0.03
(d-iii)	Trust	1	3486	0.01	1	3486	0.01
	Sub-Total (B)(2)	**3705**	**5616796**	**23.27**	**3705**	**5616796**	**23.27**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**3719**	**10861374**	**45.00**	**3719**	**10861374**	**45.00**
	TOTAL (A)+(B)	**3736**	**24136374**	**100.00**	**3736**	**24136374**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**						
(1)	Promoter and Promoter Group	0	0	0.00	0	0	0.00
(2)	Public	0	0	0.00	0	0	0.00
	Sub-Total (C)	**0**	**0**	**0.00**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**3736**	**24136374**	**100.00**	**3736**	**24136374**	**100.00**

(b) The pre-arrangement shareholding pattern of the Resulting Company as of 31.03.2014 and post-arrangement shareholding pattern immediately after allotment of shares pursuant to the Scheme of Arrangement of the Resulting Company is as under:

Category code	Category of shareholder	Pre-Arrangement			Post-Arrangement (expected)		
		No. of shareholders	Number of shares	Percentage	No. of shareholders	Number of shares	Percentage
(A)	**Promoter and Promoter Group**						
(1)	**Indian**						
(a)	Individuals/ Hindu Undivided Family*	6	6	0.01	13	4318636	17.89
(b)	Central Government/ State Government(s)	0	0	0.00	0	0	0.00
(c)	Bodies Corporate	1	99994	99.99	4	8956364	37.11
(d)	Financial Institutions/ Banks	0	0	0.00	0	0	0.00
(e)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (A)(1)	**7**	**100000**	**100.00**	**17**	**13275000**	**55.00**
(2)	**Foreign**						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0.00	0	0	0.00
(b)	Bodies Corporate	0	0	0.00	0	0	0.00
(c)	Institutions	0	0	0.00	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(e)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (A)(2)	**0**	**0**	**0.00**	**0**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7**	**100000**	**100.00**	**17**	**13275000**	**55.00**
(B)	**Public shareholding**						
(1)	**Institutions**						
(a)	Mutual Funds/UTI	0	0	0.00	3	1561537	6.47
(b)	Financial Institutions/ Banks	0	0	0.00	0	0	0.00
(c)	Central Government/ State Government(s)	0	0	0.00	0	0	0.00
(d)	Venture Capital Funds	0	0	0.00	0	0	0.00
(e)	Insurance Companies	0	0	0.00	0	0	0.00
(f)	Foreign Institutional Investors	0	0	0.00	11	3683041	15.26
(g)	Foreign Venture Capital Investors	0	0	0.00	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(i)	Any Other (specify)	0	0	0.00	0	0	0.00
	Sub-Total (B)(1)	**0**	**0**	**0.00**	**14**	**5244578**	**21.73**
(2)	**Non-institutions**						
(a)	Bodies Corporate	0	0	0.00	197	510505	2.12
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	0	0	0.00	3377	721537	2.99
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0.00	16	4304050	17.83
(c)	Qualified Foreign Investor	0	0	0.00	0	0	0.00
(d)	Any Other (specify)						
(d-i)	NRI	0	0	0.00	77	69009	0.29
(d-ii)	Clearing Members	0	0	0.00	37	8209	0.03
(d-iii)	Trust	0	0	0.00	1	3486	0.01

Cate-gory code	Category of shareholder	Pre-Arrangement			Post-Arrangement (expected)		
		No. of shareholders	Number of shares	Percentage	No. of shareholders	Number of shares	Percentage
	Sub-Total (B)(2)	**0**	**0**	**0.00**	**3705**	**5616796**	**23.27**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0.00**	**3719**	**10861374**	**45.00**
	TOTAL (A)+(B)	**7**	**100000**	**100.00**	**3736**	**24136374**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**						
(1)	Promoter and Promoter Group	0	0	0.00	0	0	0.00
(2)	Public	0	0	0.00	0	0	0.00
	Sub-Total (C)	**0**	**0**	**0.00**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**7**	**100000**	**100.00**	**3736**	**24136374**	**100.00**

(*) Registered members in the Register of Members of Greenlam Industries Limited and the shares are beneficially owned by Greenply Industries Limited.

There will be no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Demerged Company pursuant to this Scheme of Arrangement. The Authorised Share Capital of the Resulting Company shall be Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 3,00,00,000 (three crores) Equity Shares of Rs. 5/- (Rupees five only). The Issued, Subscribed and Paid-up Share Capital of the Resulting Company will change as indicated in the shareholding pattern of the Resulting Company above.

Note: Pursuant to Clause 17 of the Composite Scheme of Arrangement, within 12 (twelve) months of listing of the equity shares of Greenlam Industries Limited, there shall be a realignment of shareholding between the Greenply Shareholder Group and the Greenlam Shareholder Group such that:(a) the Greenlam Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of Greenply Industries Limited 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 Greenlam Industries Limited as mutually agreed to the Greenlam Shareholder Group. Greenply Shareholder Group and Greenlam Shareholder Group shall have the meanings respectively assigned to them in the Scheme. Mr. Saurabh Mittal, Ms. Parul Mittal and Greenply Leasing & Finance Private Limited shall cease to be a part of the promoter / promoter group of Greenply Industries Limited. Similarly, Mr. Shobhan Mittal, Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Ms. Karuna Mittal, Rajesh Mittal (HUF), Prime Holdings Private Limited, S. M. Management Private Limited, Vanashree Properties Private Limited and Trade Combines shall not form part of the promoter / promoter group of Greenlam Industries Limited

29. The details of the directors of Greenply Industries Limited and their shareholding in Greenply Industries Limited and Greenlam Industries Limited as on 31.03.2014 are as follows:

Sr. No.	Name of Directors	No. of equity shares in Greenply	No. of equity shares in Greenlam
1	Mr. Shiv Prakash Mittal	506000	1*
2	Mr. Rajesh Mittal	533180	1*
3	Mr. Saurabh Mittal	159000	1*
4	Mr. Shobhan Mittal	472400	1*
5	Mr. Moina Yometh Konyak	0	0
6	Mr. Susil Kumar Pal	0	0
7	Mr. Anupam Kumar Mukerji	0	0
8	Mr. Vinod Kumar Kothari	0	0
9	Ms. Sonali Bhagwati Dalal	0	0
10	Mr. Upendra Nath Challu	0	0

*The shares are beneficially owned by Greenply Industries Limited

30. The details of the directors of Greenlam Industries Limited and their shareholding in Greenply Industries Limited and Greenlam Industries Limited as on 31.03.2014 are as follows.

Sr. No.	Name of Directors	No. of equity shares in Greenply	No. of equity shares in Greenlam
1	Mr. Shiv Prakash Mittal	506000	1*
2	Mr. Rajesh Mittal	533180	1*
3	Mr. Saurabh Mittal	159000	1*
4	Mr. Shobhan Mittal	472400	1*

*The shares are beneficially owned by Greenply Industries Limited

31. The Scheme is conditional upon and subject to, inter alia, upon the scheme being sanctioned by Hon'ble Gauhati High Court. The proposed scheme shall come into effect from the date or last of the dates on which certified copies of the order of Hon'ble Gauhati High Court sanctioning this Scheme are filed with the Registrar of Companies, Shillong by Greenply and Greenlam as required by the Companies Act.

It further provides that in the event of this Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, this Scheme shall become null and void and in that event, no rights and liabilities shall, inter se, accrue between the parties in terms of this Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme or as may otherwise arise in law. In the event this Scheme becoming null and void, each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

32. Copies of the following documents are open for inspection at the Registered office of the Applicant(s) between 11:00 A.M. and 5:00 P.M. on any working day :-

(i) Memorandum and Articles of Association of the Applicant(s).

(ii) Copy of the Company Application No. 5 of 2014.

(iii) Audited Accounts of the Demerged Company for the period ended as on March 31, 2013.

(iv) Audited Accounts of the Resulting Company for the period from 12.08.2013 to 25.09.2013.

(v) Register of Directors' Shareholdings of the Demerged Company and the Resulting Company.

(vi) Report on Share Entitlement Ratio.

(vii) Fairness opinion from Merchant Banker.

(viii) Unaudited financial results of the Demerged Company as on 31.12.2013.

(ix) Scheme of Arrangement (also enclosed with this statement).

(x) The Observation Letters both dated 25.03.2014 received from NSE and BSE (also enclosed with this statement).

(xi) Complaints Report filed by the Demerged Company with the Stock Exchanges (also enclosed with this statement).

(xii) Other documents submitted by the Demerged Company to the Stock Exchanges in accordance with the requirements of SEBI circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and also displayed on the Demerged Company's website.

(xiii) Order dated 10.04.2014 of the Hon'ble Gauhati High Court at Guwahati passed in the Company Application No. 5/2014.

Drawn by:

Sd/-
M/s Desai and Diwanji and
Jyotirmoy Roy
Advocate for the Applicants
C/o Eastern Attorneys, Advocates and Legal Consultants
Nawjan Apartments, 2nd Floor, Unit – 4
Nawjan Road, Uzan Bazar, Chariali, Guwahati – 781001

Settled By:

Sd/-
Registrar General
Gauhati High Court
Guwahati

COMPOSITE SCHEME OF ARRANGEMENT
(UNDER SECTIONS 100 TO 104 AND 391 TO 394 OF THE COMPANIES ACT, 1956)

BETWEEN

GREENPLY INDUSTRIES LIMITED

AND

GREENLAM INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

FOR

DEMERGER OF DEMERGED UNDERTAKING OF GREENPLY INDUSTRIES LIMITED (AS DEFINED HEREIN) TO GREENLAM INDUSTRIES LIMITED

PARTS OF THE SCHEME:

This Composite Scheme of Arrangement is divided into the following parts:

PART-1: Preliminary – Definitions.

PART-2: Share Capital and Rationale.

PART-3: Transfer and vesting of Demerged Undertaking of Greenply to Greenlam.

PART-4: Miscellaneous.

PART-1
(Preliminary - Definitions)

1. DEFINITIONS

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

1.1 **"Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof read with the applicable provisions of the Companies Act, 2013.

1.2 **"Appointed Date"** means April 1, 2013 or such other date as the Hon'ble High Court may direct.

1.3 **"Board or Board of Directors"** means the respective board of directors of Greenply and Greenlam for the time being and includes a committee of directors constituted by the respective board.

1.4 **"Decorative Business"** shall mean the business of Greenply comprising of manufacturing and marketing of high pressure laminates, decorative veneers, compact laminates and allied product(s). Presently, Decorative Business consists of manufacturing units situated at Behror (Rajasthan) and Nalagarh (Himachal Pradesh), marketing, branch and administrative office(s) located in India and subsidiaries/step-down subsidiaries viz. Greenlam Asia Pacific Pte. Limited (registered in Singapore), Greenlam America, Inc. (registered in USA), Greenlam Europe (UK) Limited (registered in UK), Greenlam Asia Pacific (Thailand) Co. Limited (registered in Thailand), Greenlam Holding Co. Limited (registered in Thailand), PT. Greenlam Asia Pacific (registered in Indonesia) and Greenlam VT Industries Private Limited (registered in India).

1.5 **"Demerged Undertaking"** means the whole business operations of Decorative Business of Greenply:

Without prejudice to the generality of the foregoing, the Demerged Undertaking shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of Greenply *(as defined hereinafter)* comprised in and/or pertaining to the Demerged Undertaking as on the Appointed Date, including:

(a) All properties and assets, moveable and immovable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated, as on the Appointed Date relating to the Demerged Undertaking, all other lands, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, computer programmes, software, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of Greenply in relation to the Demerged Undertaking;

(b) Leases, tenancies and agencies of Greenply pertaining to the Demerged Undertaking, and all other interests or rights in or arising out of or relating to the Demerged Undertaking together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, information technology, patents, copyrights, trademarks, brand names, websites, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, share of advance tax and MAT credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the Demerged Undertaking and/or to which Greenply is entitled to in respect of the Demerged Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter;

(c) Right to use and avail of telephones, telefaxes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefit of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;

(d) All earnest money and/or security deposits paid by Greenply in connection with or relating to the Demerged Undertaking;

(e) The benefit of all respective contracts and engagements and all respective books, papers, documents computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information and records relating to the Demerged Undertaking;

(f) All debts, liabilities, duties and obligations of Greenply in relation to the Demerged Undertaking as appearing in the books of account of Greenply as on the Appointed Date, including liabilities on account of secured loans, unsecured loans, and sundry creditors and bonus, gratuity, and other employee benefits pertaining to the Demerged Undertaking;

(g) All contracts, deeds, bonds, agreements and other instruments, of whatsoever nature and pertaining to the Demerged Undertaking to which Greenply is a party, subsisting or having effect immediately on the Appointed Date;

(h) All legal proceedings of whatsoever nature by or against Greenply pending on the Appointed Date and relating to the Demerged Undertaking (including property, rights, powers, liabilities, obligations and duties); and

(i) All employees of Greenply engaged in or in relation to the Demerged Undertaking as on the Effective Date.

1.6 **"Effective Date"** means the date or last of the dates on which certified copies of the order of Hon'ble Gauhati High Court sanctioning this Scheme are filed with the Registrar of Companies, Shillong by Greenply and Greenlam.

1.7 **"Greenlam"** means Greenlam Industries Limited, a company incorporated under the provisions of the Act and having its registered office at Makum Road, Tinsukia, Assam – 786 125 which is a wholly-owned subsidiary of Greenply Industries Limited since its incorporation on August 12, 2013.

1.8 **"Greenlam Shareholder Group"** includes Mr. Shiv Prakash Mittal, Shiv Prakash Mittal (HUF), Ms. Santosh Mittal, Mr. Saurabh Mittal, Ms. Parul Mittal and Greenply Leasing & Finance Private Limited.

1.9 **"Greenply"** means Greenply Industries Limited, a company incorporated under the provisions of the Act and having its registered office at Makum Road, Tinsukia, Assam - 786 125.

1.10 **"Greenply Shareholder Group"** includes Mr. Shiv Prakash Mittal, Mr. Rajesh Mittal, Mr. Shobhan Mittal, Mr. Sanidhya Mittal, Ms. Santosh Mittal, Ms. Karuna Mittal, Shiv Prakash Mittal (HUF), Rajesh Mittal (HUF), Prime Holdings Private Limited, S. M. Management Private Limited, Vanashree Properties Private Limited and Trade Combines.

1.11 **"Parties"** shall mean Greenply and Greenlam.

1.12 **"Record Date"** means the date to be fixed by the Board of Directors of Greenply for the purpose of determining the members of Greenply to whom new shares in Greenlam shall be allotted pursuant to para 8 of this Scheme.

1.13 **"Retained Undertaking"** means all the undertakings, businesses, activities, duties, debts, liabilities, obligations and operations of the Greenply other than those comprised in the Demerged Undertaking.

1.14 **"Scheme"** means this composite scheme of arrangement under Sections 100 to 104 and Sections 391 to 394 of the Act in the present form or with such modifications as sanctioned by the Hon'ble Gauhati High Court.

Word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed thereto.

PART-2
(Share Capital and Rationale)

2. SHARE CAPITAL

The authorized, issued, subscribed and paid-up share capital of Greenply and Greenlam as on September 30, 2013 is as under:

(i) **Greenply**

Authorized Share Capital:	Amount in INR
3,20,00,000 equity shares of INR 5.00 each	16,00,00,000.00
50,00,000 Cumulative Redeemable Preference Shares of INR 10.00 each	5,00,00,000.00
Issued, Subscribed and Paid-up Share Capital:	
2,41,36,374 equity shares of INR 5.00 each	12,06,81,870.00

(ii) **Greenlam**

Authorized Share Capital:	Amount in INR
20,00,000 equity shares of INR 5.00 each	1,00,00,000.00
Issued, Subscribed and Paid-up Share Capital:	
1,00,000 equity shares of INR 5.00 each	5,00,000.00

Since the dates mentioned above, there has been no change in the authorized, issued, subscribed and paid up share capital of Greenply and Greenlam.

3. RATIONALE

3.1 Greenply is a company incorporated under the provisions of the Act, having its registered office at Makum Road, Tinsukia, Assam - 786 125 and is engaged in the business of manufacturing and marketing of a wide range of interior infrastructure and surface finish products including plywood, laminates, veneers, Medium Density Fibreboard ("**MDF**") and their allied products.

3.2 The equity shares of Greenply are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

3.3 Greenlam is a new company incorporated under the provisions of the Act, having its registered office at Makum Road, Tinsukia, Assam - 786 125 and incorporated to undertake the business as manufacturers, traders, exporters, importers, dealers, wholesalers, retailers, service providers, commission agents, of 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 as 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.

3.4 The nature of technology, risk, competition and capital intensity involved in each of the undertakings of Greenply is distinct from each other. Consequently, each undertaking of Greenply 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 Greenply by demerging the Demerged Undertaking to Greenlam in the manner and on the terms and conditions contained in this Scheme.

3.5 The demerger is likely to enable the business and activities comprised in the Demerged Undertaking and remaining business and activities of Greenply to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings of Greenply will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses.

3.6 The demerger seeks to create a new platform for independent growth of the Decorative Business, while allowing Greenply to concentrate its growth efforts in the plywood and MDF businesses in a more focused manner thereby strengthening Greenply's and Greenlam's market leadership.

3.7 Pursuant to the issue and allotment of shares in terms of this Scheme, the shareholders of Greenply shall hold shares in two companies, i.e. in Greenply and in Greenlam. It gives the shareholders the ability to continue to remain invested in both or either of the two companies giving them greater flexibility in managing and/or dealing with their investments.

3.8 The restructuring proposal is thus aimed at protecting and maximising value for the shareholders of the Greenply. This Scheme is in the interest of the shareholders, creditors and all other stakeholders of Greenply and shall not in any manner be prejudicial to the interests of shareholders and creditors or general public at large. The restructuring under this Scheme would enable focused business approach for the maximisation of benefits to all stakeholders and capitalize on the opportunity for growth.

PART –3

(Transfer and vesting of the Demerged Undertaking of Greenply to Greenlam)

4. TRANSFER OF UNDERTAKING

4.1 With effect from the Appointed Date, without any further act, deed, instrument, matter or thing, the Demerged Undertaking shall be demerged and transferred to or shall be deemed to have been transferred to and vested in Greenlam as a going concern for all the estate and interest of Greenply therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.

4.2 **Transfer of movable property:**

In respect of such of the assets of the Demerged Undertaking including cash and bank balances relating to the day to day operations and specific to the working of the Demerged Undertaking, as are movable in nature or otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by Greenply, without requiring any deed or instrument of conveyance for the same and shall become the property of Greenlam accordingly and as an integral part of the Demerged Undertaking transferred to Greenlam.

4.3 **Transfer of immovable property:**

In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in para 4.2 above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Greenlam pursuant to the provisions of section 394(2) of the Act. Greenlam shall under the provisions of this Scheme be deemed to be authorized to execute any such instruments, deeds and writings on behalf of Greenply to implement or carry out all such formalities or compliances on the part of Greenply and to be carried out or performed in order to give effect to the provisions of this para. With effect from the Appointed Date, Greenlam 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 such immovable properties. The mutation of title/ assignment of leases in respect of the immovable properties in the name of Greenlam shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of Greenlam.

4.4 **Transfer of liabilities:**

(a) All debts, liabilities, duties and obligations of Greenply relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date and as appearing in the books of account of Greenply in relation to the Demerged Undertaking, including proportionate amount of general and multipurpose borrowings determined in accordance with section 2(19AA) of the Income Tax Act, 1961 shall also be transferred or shall deemed to be transferred to Greenlam, without any further act or deed, pursuant to the provisions of section 394(2) of the Act, so as to become the debts, liabilities, duties and obligations of Greenlam.

(b) The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof which are subsisting on transfer of such assets to Greenlam and relating to the liabilities of the Demerged Undertaking which are also transferred to Greenlam. The assets transferred shall stand free from all other charges, mortgages and encumbrances.

It is clarified and provided that such charges, mortgages and/or encumbrances shall not extend over or apply to any other asset(s) of Greenlam and any reference in any security documents or arrangements (to which Greenply is a party) to any assets of Greenply shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Greenlam. Greenlam shall also not be required to create any additional security over the assets of the Demerged Undertaking acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by Greenply up to the Effective Date, and the charges, mortgages, and/or encumbrances in respect of such indebtedness of Greenply shall not extend or be deemed to extend or apply to the assets of Demerged Undertaking so acquired by Greenlam.

It is further clarified and provided that the transfer of the Demerged Undertaking to Greenlam shall not affect the subsisting charges, mortgages and encumbrances over the Retained Undertaking or any part thereof and such charges, mortgages and encumbrances shall continue to be applicable in respect of such Retained Undertaking save and except that such Retained Undertaking shall stand freed from all charges, mortgages and encumbrances relating to liabilities relating to Demerged Undertaking and which are transferred to Greenlam. Further, Greenlam 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, in favor of any of the creditors of Greenply pertaining to the Demerged Undertaking or to any other party to any contract or arrangement to which Greenply is a party to, or any writings as may be necessary to be executed in order to give formal effect to the aforesaid provisions.

4.5 **Creditors' interest:**

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

Subject to the para 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 Greenply, such creditor shall continue to enjoy and hold such charge, lien or security interest upon the properties of Demerged Undertaking in Greenlam.

4.6 **Transfer of intellectual property and availment of benefits:**

Subject to other provisions of this Scheme, all entitlements, licenses, permissions, approvals, clearances, authorisations, consents, brands, trademarks, copyrights, patents, other intellectual property rights registrations and no-objection certificates obtained by Greenply for the operations of the Demerged Undertaking and/or to which Greenply 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 Greenlam, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of Greenlam. Since the Demerged Undertaking will be transferred to and vested in Greenlam as a going concern without any break or interruption in the operations thereof, Greenlam 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 Greenply 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, Entry Tax, Octroi, Service Tax and other taxes, incentives and duties to which Greenply 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 Greenlam upon this Scheme becoming effective.

4.7 **Treatment of tax:**

(a) It is clarified that all taxes and duties payable by Greenply, accruing and relating to the operations of the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims of Greenlam. Accordingly, upon this Scheme becoming effective, Greenply is expressly permitted to revise, and Greenlam is expressly permitted to file their respective income tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

(b) All the expenses incurred by Greenply and Greenlam in relation to the Scheme including stamp duty expenses shall be allowed as deduction to each of Greenply and Greenlam in accordance with Section 35DD of the Income Tax Act,1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.

(c) All expenses paid by Greenply under Section 43B of the Income tax Act, 1961, in relation to the Demerged Undertaking, shall be claimed as a deduction by Greenlam and the transfer of Demerged Undertaking shall be considered as succession of business by Greenlam.

(d) All tax benefits being claimed by Greenply in relation to its Demerged Undertaking under the Income Tax Act, 1961, including but not limited to Section 80-IC of the Income Tax Act 1961, shall be transferred to Greenlam pursuant to the Scheme.

4.8 **Reimbursement of payments:**

It is understood between the Parties that on and from the Effective Date, if there is a payment received or benefit or set-off availed by any Party (Receiving Party), which pertains to a property vested in the other party (Relevant Party), pertaining to a period after the Appointed Date, then the Receiving Party must immediately make such payment over to the Relevant Party, without any demand by the Relevant Party and in any case not later than 14 days from the date of receipt thereof. Likewise, if there is a payment to be made or cost to be incurred by any party (Paying Party) relating to a property vested in the other party (Relevant Party), pertaining to a period after the Appointed Date, then the Paying Party would be entitled to immediately recover such payment from the Relevant Party, immediately upon demand and in any case not later than 14 days from the date of demand thereof.

4.9 **Treatment of contingent liabilities:**

(a) Subject to provisions of sub-para 4.9(b) below, any contingent liability showing in the books of Greenply as on the Appointed Date shall be assumed by Greenply and Greenlam such that Greenlam takes over all such liabilities, which, on the Appointed Date, pertain to the Demerged Undertaking, and accordingly, the contingent liabilities of Greenply, on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by Greenlam as aforesaid.

(b) 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 amendment, revision, further issuance or replacement thereof, or in or about the matter covered by the aforesaid show cause notices ("Excise Notices"), the Parties affirm that any Liability arising out of the Excise Notices for period up to March 31, 2017 and which is finally adjudicated and/or settled by March 31, 2020; 27% of the finally adjudicated/ settled Liability amount shall be reimbursed by Greenlam to Greenply.

It is hereby clarified that, for the purpose of this sub-para 4.9(b): (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.

4.10 The Retained Undertaking shall be retained by Greenply and activities pertaining to the said Retained Undertaking shall be carried out in the same manner as were being carried out before coming into effect of the Scheme.

4.11 The assets and liabilities of the Demerged Undertaking shall be transferred to Greenlam from the Appointed Date in terms of this Scheme at their respective book values in compliance of section 2(19AA) of the Income Tax Act, 1961.

4.12 **Transfer of legal proceedings:**

All legal, or other proceedings by or against Greenply in connection with or pertaining to or relating to the Demerged Undertaking pending on the Effective Date, shall be continued and enforced by or against Greenlam instead of Greenply, as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against Greenply, in the absence of this Scheme.

4.13 **Transfer of contracts and deeds:**

(a) Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements schemes, tenancy rights, lease contracts, incentives, benefits, exemptions, waiver, entitlements, arrangements and other instruments of whatsoever nature relating to the Demerged Undertaking to which Greenply is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of Greenlam and may be enforced as fully and effectually as if instead of Greenply, Greenlam had been a party thereto.

(b) Greenlam 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, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Greenply is a party or any writings as may be necessary to be executed in order to novate or give formal effect to the above provisions. Greenply will, if necessary, also be a party to the above as a confirming party with no obligation cast on or assumed upon Greenply. Greenlam shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings and to carry out or perform all such formalities or compliance referred to above as may be deemed proper and necessary for effectuating the transfer and vesting of the Demerged Undertaking to Greenlam.

(c) Greenply shall not, directly or indirectly, compete with Greenlam's business of high pressure laminates and compact laminates for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Parties.

(d) Similarly, Greenlam shall not, directly or indirectly, compete with Greenply's business of plywood block boards, plain wood- based fibre boards and plain particle boards for a period of 7 (seven) years from the Effective Date or such reduced period, as may be mutually agreed between the Parties.

5. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the properties and liabilities of the Demerged Undertaking and the continuance of the proceedings by or against Greenlam as per the provisions hereof shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by Greenply on or before the Effective Date to the end and intent that Greenlam accepts all acts, deeds and things relating to the Demerged Undertaking done and executed by and/or on behalf of Greenply as acts deeds and things done and executed by and on behalf of Greenlam.

6. **EMPLOYEES**

6.1 Greenlam undertakes to engage, on and from the Effective Date, all the employees of Greenply engaged in the Demerged Undertaking on the same terms and conditions on which they are engaged by Greenply without any interruption of service as

a result of the transfer of the Demerged Undertaking to Greenlam. Greenlam agrees that the services of all such employees with Greenply up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

6.2 Accordingly, the services of such employees for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with Greenply.

6.3 The accumulated balances, if any, standing to the credit of the employees of the Demerged Undertaking in the existing provident fund, gratuity fund, superannuation fund and other funds, if any, of which they are members will be transferred to such provident fund, gratuity fund, superannuation fund and other funds nominated by Greenlam and/or such new provident fund, gratuity fund, superannuation fund and other funds to be established and caused to be recognised by the concerned authorities by Greenlam. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited by Greenlam in the existing provident fund, gratuity fund, superannuation fund and other funds respectively.

7. **TRANSACTIONS BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

7.1 Greenply undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and Greenply shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for Greenlam.

7.2 All the assets and liabilities resulting from the operations of the Demerged Undertaking from the Appointed Date onwards shall stand transferred to and vested in Greenlam on the Effective Date. Further, it is understood that, for the purpose of identification of any liabilities that arise subsequent to the Appointed Date, as to their annexation with Demerged Undertakings or Retained Undertaking, the following rules shall apply:

(a) If a liability relates to or arises in relation to any specific asset or assets prior to the Appointed Date, such liability shall be attributed to the Demerged Undertaking or Retained Undertaking to which the relevant asset or assets belong;

(b) If a liability relates to or arises in relation to a place where the business was being carried on prior to the Appointed Date, such liability shall be attributed to the Demerged Undertaking and Retained Undertaking to which the relevant place of business belongs.

7.3 All incomes and profits accruing to Greenply (including taxes paid thereon) or expenses and losses arising or incurred by it relating to the Demerged Undertaking for the period falling on and after the Appointed Date shall for all purposes, be treated as the incomes, profits (including taxes paid) or expenses and losses, as the case may be of Greenlam.

7.4 Greenply shall be deemed to have held and stood possessed of the Demerged Undertaking to be transferred to Greenlam for and on account of and in trust for Greenlam and, accordingly, Greenply shall not (without the prior written consent of Greenlam) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken by Greenply prior to the Appointed Date.

7.5 With effect from the Appointed Date, Greenply has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence. All accretions and depletions to the Demerged Undertaking shall be and for and on account of Greenlam.

8. **ISSUE OF SHARES BY GREENLAM**

8.1 Upon the Scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, Greenlam shall, without further application, issue and allot to the shareholders of Greenply whose names appear in the register of members of Greenply as on the Record Date, 1 (One) equity share of INR 5.00 (Indian Rupees Five only) each in Greenlam, credited as fully paid up for every 1 (One) equity share of INR 5.00 (Indian Rupees Five only) each held by them in Greenply.

8.2 Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of this Scheme as mentioned in para 8.1 above, all existing equity shares held by the existing shareholders of Greenlam, shall stand cancelled, without any further act or deed. The reduction of capital of Greenlam 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 the creditors of Greenlam shall be deemed to be their consent under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital of Greenlam and Greenlam shall not be required to convene any separate meeting for that purpose. The order of the Hon'ble Guahati High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. Notwithstanding the reduction of subscribed and paid-up equity share capital of Greenlam, Greenlam shall not be required to add "And Reduced" as suffix to its name.

8.3 Such new equity shares issued by Greenlam shall pursuant to circular issued by Securities Exchange Board of India on 4 February 2013 bearing no. CIR/CFD/DIL/05/2013 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 Greenply are listed and/or admitted to trading i.e. Greenply and Greenlam shall enter into such arrangements and give such

confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

8.4 In respect of the shareholding of the members in Greenply held in dematerialized form, the equity shares in Greenlam shall, subject to applicable regulations, also be issued to them in the dematerialized form pursuant to para 8.1 above with such shares being credited to the existing depository accounts of the members of Greenply entitled thereto, as per records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date, unless otherwise notified in writing by the members of Greenply.

8.5 In respect of shareholding of the members in Greenply held in the physical form, the equity shares in Greenlam shall be issued to such members in physical form. Members of Greenply desirous of receiving the new shares in Greenlam in dematerialized form should have their shareholding in Greenply dematerialised on or before the Record Date. However, nothing contained in this para shall prohibit or restrict the right of a member to apply for dematerialised shares of Greenlam after allotment of shares of Greenlam in terms of para 8.1 above.

8.6 Pursuant to and upon this Scheme becoming effective, Greenlam shall take necessary steps to increase and alter its authorized share capital suitably to enable Greenlam to issue and allot the equity shares in Greenlam to the shareholders of Greenply in terms of this Scheme.

8.7 The equity shares in Greenlam allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

8.8 Till the listing of the equity shares of Greenlam to be issued pursuant to this Scheme, there shall be no change in the pre-arrangement capital structure and shareholding pattern or control in Greenlam which may affect the status of the approval of the stock exchanges to this Scheme.

8.9 Equity shares of Greenlam are allotted to the members of Greenply in terms of this Scheme by virtue of their interest in Greenply as a whole, including the Demerged Undertaking. The interest of the said members in the Demerged Undertaking shall in effect be continued through Greenlam after the demerger. For the purpose of availing exemption under Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, the promoters of Greenply, shall be deemed to have been the promoters of Greenlam for the same duration they have been the promoters of Greenply and this recognition shall be available on the listing of the equity shares of Greenlam. Statutory exemptions for the transfer of shares of Greenlam amongst the Greenply Shareholder Group and the Greenlam Shareholder Group shall be deemed to be available to the Greenply Shareholder Group and Greenlam Shareholder Group under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (**the "Takeover Code"**) as detailed in para 17 below.

8.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of Greenply, the Board of Directors or any committee thereof of Greenply shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Greenply 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 Greenlam issued by Greenlam after the effectiveness of this Scheme.

8.11 For the purpose of issue of equity shares to the members of Greenply, Greenlam shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by Greenlam of such equity shares.

8.12 Unless otherwise determined by the Board of Directors of Greenply and the Board of Directors of Greenlam, allotment of shares in terms of this Scheme shall be done within 90 days from the Effective Date.

8.13 Upon coming into effect of this Scheme, Clause (V) of the Memorandum of Association of Greenlam shall, without any further act, deed or instrument, be substituted by the following clause:

"The Authorised Share Capital of the Company shall be Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 3,00,00,000 (three crores) Equity Shares of Rs. 5/- (Rupees five only) each with the right, privileges and conditions attached thereto as are provided by the Regulations of the Company for the time being, with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the Regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the Company."

9. **ACCOUNTING TREATMENT**

9.1 **<u>Accounting treatment in the books of Greenply</u>**

(a) The assets and liabilities of the Demerged Undertaking shall be recorded in the books and account of Greenlam at their values as appearing in the books of account of Greenply as on the Appointed Date. Accordingly, the book value of assets of the Demerged Undertaking shall be deducted, on line by line basis, from the book value of assets of Greenply, and book value of liabilities of Demerged Undertaking shall be deducted, on line by line basis, from the book value of liabilities of Greenply. The net impact, of the assets and liabilities transferred, by Greenply, shall be adjusted in the fol-

lowing sequence:

(i) Capital reserves;

(ii) Capital redemption reserve;

(iii) Securities premium account;

(iv) General reserve;

(v) Surplus in Profit & Loss account.

(b) The investment by Greenply in Greenlam (in the form of share capital) shall stand cancelled.

(c) The reduction in the reserves of the Greenply shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 104 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

(d) Subject to the aforesaid, the Board of Directors of Greenply and Greenlam shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said companies, while complying with generally accepted accounting standards as applicable.

(e) Any amounts received by Greenply as reimbursement from Greenlam in terms of para 4.9(b) shall be treated as a 'capital receipt' received pursuant to the overall reorganisation of Greenply in terms of this Scheme.

9.2 **Accounting treatment in the books of Greenlam**

(a) Upon the effectiveness of the Scheme and allotment of shares by Greenlam pursuant to the Scheme and pursuant to para 8, the pre scheme issued, paid up and subscribed share capital of Greenlam shall be cancelled and reduced under section 100 of the Act to the extent of the shares held by Greenply in Greenlam simultaneous with the issue of equity shares to the shareholders of Greenply.

(b) The difference between (i) Net worth of the Demerged Undertaking, and (ii) the paid up share capital of Demerged Undertaking as issued in pursuance of this Scheme, netted by existing share capital cancelled in terms of this Scheme, shall be treated as free reserves of Greenlam as on the Appointed Date.

(c) On effectiveness of the Scheme and with effect from the Appointed Date:

(i) Greenlam shall record the assets and liabilities of the Demerged Undertaking of Greenply vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Greenply, at the close of business of the day immediately preceding the Appointed Date;

(ii) Greenlam shall credit the aggregate face value of the new equity shares issued by it to the shareholders of Greenply pursuant to para 8 of this Scheme to the share capital account in its books of accounts;

(iii) the difference, between the amounts credited to the share capital account and the book value of net assets as per sub-para 9.2(c)(i) above shall, after making an adjustment on account of cancellation of share capital pursuant to sub-para 9.2(a) above, be debited by Greenlam to its goodwill or credited to its General reserve account, as the case may be.

PART - 4
(MISCELLANEOUS)

10. **DECLARATION OF DIVIDENDS ETC.**

Greenply 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 member of Greenply and/or Greenlam to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of Greenply, and subject to the approval of the shareholders of Greenply.

11. **APPLICATIONS**

Greenply and Greenlam shall jointly, with all reasonable dispatch, make necessary applications to the Hon'ble Gauhati High Court for sanction and carrying out of this Scheme. Any such application shall, upon constitution of the National Company Law Tribunal, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the Hon'ble Gauhati High Court shall be construed as references to the National Company Law Tribunal as the context may require. Greenply and Greenlam shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

It is hereby clarified that submissions of this Scheme to the Hon'ble Gauhati High Court and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Greenply and Greenlam have or may have under or pursuant to all applicable laws.

12. **MODIFICATION AND IMPLEMENTATION**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of Greenply and Greenlam, affect the validity or implementation of the other parts and/or provisions of this Scheme. Greenply and Greenlam (by their respective Board of Directors or committee thereof or such other person or persons, as the respective board of directors may authorize) are empowered and authorised:

(a) to assent from time to time to any modifications or amendments or substitutions to this Scheme or of any conditions or limitations which the Hon'ble Gauhati High Court and/or any authorities under law may deem fit to approve or direct or as may deemed expedient or necessary or which may otherwise be considered necessary or desirable or appropriate by the Board in the best interest of the members; and

(b) to settle all doubts or difficulties that may arise in carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting this Scheme into effect.

13. **SCHEME CONDITIONAL UPON**

13.1 This Scheme is conditional upon and subject to approval of the same by the requisite majorities of the members of Greenply and Greenlam pursuant to Section 391(1) of the Act and sanction of the same by the Hon'ble Gauhati High Court under Sections 391(2) and 394 and other applicable provisions of the Act.

13.2 This Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble Gauhati High Court sanctioning this Scheme are filed with the Registrar of Companies, Shillong by Greenply and Greenlam.

13.3 In the event of this Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, this Scheme shall become null and void and in that event, no rights and liabilities shall, inter se, accrue between the parties in terms of this Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme or as may otherwise arise in law. In the event this Scheme becoming null and void, each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

14. **REMAINING BUSINESS**

Save and except the Demerged Undertaking and as expressly provided in this Scheme, nothing contained in this Scheme shall affect Retained Undertaking of Greenply which shall continue to belong to and be vested in and be managed by Greenply. It is expressly clarified and provided that the Retained Undertaking shall continue to be so vested in Greenply and all liabilities, present or contingent, under the Income Tax Act, 1961 of Greenply as a whole, for the period prior to the Appointed Date shall be borne by Greenply with Greenply also being entitled to any and all tax refunds and other credits under the said acts for such prior period.

15. **COSTS**

All costs, charges and expenses including stamp duties arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Greenply and Greenlam in the ratio of 2:1.

16. **RESIDUAL PROVISIONS**

16.1 Even after this Scheme becomes effective, Greenlam shall be entitled to operate all bank accounts relating to the Demerged Undertaking and realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of Greenply in so far as may be necessary until the transfer of rights and obligations of Greenply to Greenlam under this Scheme is formally accepted by the parties concerned.

16.2 On the approval of this Scheme by the members of Greenply and Greenlam pursuant to Section 100 and 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Section 81(1-A) or any other provisions of the Act to the extent the same may be considered applicable.

16.3 The demerger and transfer and vesting of the Demerged Undertaking under this Scheme has been proposed in compliance with the provisions of Section 2 (19AA) of the Income Tax Act 1961.

17. **OTHERS**

17.1 Within 12 (twelve) months of listing of the equity shares of Greenlam, there shall be a realignment of shareholding between the Greenply Shareholder Group and the Greenlam Shareholder Group such that: (a) the Greenlam Shareholder Group shall transfer in one or more transactions, on the stock exchange or otherwise, such number of equity shares of Greenply 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 Greenlam as mutually agreed to the Greenlam Shareholder Group.

17.2 The transfer of shares for realignment of shareholding and control in the respective companies in terms of para 17.1 above shall be deemed to have happened, in pursuance of this Scheme, in terms of mutual covenants contained herein.

17.3 Such transfer of equity shares between the Greenply Shareholder Group and the Greenlam Shareholder Group shall be effected as an integral part of this Scheme and shall enable them to concentrate their resources on, and focus management upon, the business of their respective areas of interest for future growth, namely Greenlam Shareholder Group on the Decorative Business and the Greenply Shareholder Group on the plyboard and MDF and allied products businesses.

17.4 The proposed transfer will neither change the total shareholding / voting rights of the promoter groups of Greenply nor will it affect or prejudice the interests of public shareholders in any way.

17.5 Upon consummation of transfer envisaged in para 17.1 above:

(i) Mr. Saurabh Mittal, Ms. Parul Mittal and Greenply Leasing & Finance Private Limited shall cease to be a part of the promoter / promoter group of Greenply. Similarly, Mr. Shobhan Mittal, Mr. Rajesh Mittal, Mr. Sanidhya Mittal, Ms. Karuna Mittal, Rajesh Mittal (HUF), Prime Holdings Private Limited, S. M. Management Private Limited, Vanashree Properties Private Limited and Trade Combines shall not form part of the promoter / promoter group of Greenlam.

(ii) Greenply and Greenlam shall be managed and controlled by their respective shareholders i.e. Greenlam shall be under the exclusive management and control of the Greenlam Shareholder Group and Greenply shall be under the exclusive management and control of the Greenply Shareholder Group. The shareholders of Greenply and Greenlam may reconstitute their respective board of directors to reflect the change in shareholding.

17.6 It is clarified that the transfer of the equity shares of both Greenply and Greenlam and the consequent change in management and control of the respective companies made in terms of paras above 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 Greenply and/or Greenlam under Regulation 3 or Regulation 4 of the Takeover Code.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/234235-V

March 25, 2014

The Company Secretary,
Greenply Industries Limited
New B K Market 2nd floor
16-A Shakespeare Sarani,
Kolkata -700071

Kind Attn: Mr. Kaushal Kumar Agarwal

Dear Sir,

Sub.: Observation letter for Composite Scheme of Arrangement (under section 100 to 104 and 391 to 394 of the Companies Act, 1956) between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors

We are in receipt of your letter enclosing the draft Composite Scheme of Arrangement (under section 100 to 104 and 391 to 394 of the Companies Act, 1956) between Greenply Industries Limited and Greenlam Industries Limited and their respective shareholders and creditors

We have perused the draft Scheme of Arrangement and the related documents/details submitted by you including the confirmation of the company secretary that the Scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated March 25, 2014 has given following comment on the draft scheme of Arrangement:

a) The company shall duly comply with various provisions of the Circulars.

Accordingly, we do hereby convey to you our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Greenlam Industries Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Greenlam Industries Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Greenlam Industries Limited is at the discretion of the Exchange.

The listing of Greenlam Industries Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Greenlam Industries Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the company.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

Ref: NSE/LIST/234235-V

March 25, 2014

2. To publish an advertisement in the newspapers containing all the information about Greenlam Industries Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Greenlam Industries Limited to NSE on the 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 provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in Greenlam Industries Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval 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.

The validity of the "Observation Letter" shall be six months from March 25, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist of all the further issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Patel Kamlesh
Date: Tue, Mar 25, 2014 21:12:02 IST
Location: NSE

NSE

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com

BSE EXPERIENCE THE NEW

DCS/AMAL/SJ/24(f)/432/2013-14 March 25, 2014

The Company Secretary
Greenply Industries Ltd
Makum Road,
P.B. No.14,
Tinsukia,
Assam-786125

Dear Sir/Madam,

Sub: **Observation letter regarding the Scheme of Arrangement involving demerger of decorative business of Greenply Industries Ltd into its wholly owned subsidiary Greenlam Industries Ltd.**

We are in receipt of draft Scheme of Arrangement/ Amalgamation involving demerger of decorative business of Greenply Industries Ltd into its wholly owned subsidiary Greenlam Industries Ltd. The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated March 21, 2014 received on March 25, 2014 given the following comment(s) on the draft scheme of arrangement:

- **The company shall duly comply with various provisions of the aforesaid SEBI circular.**

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

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 mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval 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.

Yours faithfully,

Bhuvana Sriram
Dy. Manager

Pooja Sanghvi
Asst. Manager

Complaints Report for the period 1st November, 2013 to 22nd November, 2013:

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.	Not Applicable		
2.			
3.			

For GREENPLY INDUSTRIES LIMITED

VISHWANATHAN VENKATRAMANI
Chief Financial Officer

GREENPLY INDUSTRIES LIMITED Kolkata

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COMPANY APPLICATION NO. 5 OF 2014

IN THE GAUHATI HIGH COURT

(IN THE HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

(COMPANY ORIGINAL JURISDICTION)

IN THE MATTER OF :
The Companies Act, 1956 or any statutory modification or any re-enactment thereof.

AND

IN THE MATTER OF :
An application under sections 100 to 104 and 391 to 394 of the Companies Act, 1956.

AND

IN THE MATTER OF :
GREENPLY INDUSTRIES LIMITED

Applicant No.1/Demerged Company

AND

GREENLAM INDUSTRIES LIMITED

Applicant No. 2/Resulting Company

AND

IN THE MATTER OF :
A composite Scheme of Arrangement between GREENPLY INDUSTRIES LIMITED and GREENLAM INDUSTRIES LIMITED and their respective members and creditors.

GREENPLY INDUSTRIES LIMITED, a company incorporated under the provisions of the Companies Act, 1956 having its Registered office at Makum Road, Tinsukia, Assam – 786 125, the Applicant Company

FORM OF PROXY

I/We _____ , the undersigned, Creditor(s) of GREENPLY INDUSTRIES LIMITED, the Applicant Company above named, do hereby nominate and appoint Mr./Ms. _____ of _____ _____ failing him/her Mr./Ms. _____ of ____ _____ as my / our proxy to act for me/us at the meeting of the creditors of the Applicant Company, GREENPLY INDUSTRIES LIMITED (the Demerged Company) to be held at Chitrashala Hall, Hotel Brahmaputra Ashok, M. G. Road, Guwahati-781001 on 07th June, 2014 (Saturday), at 12:00 noon for the purposes of considering and if thought fit, approving, with or without modification, the proposed composite Scheme of Arrangement between GREENPLY INDUSTRIES LIMITED and GREENLAM INDUSTRIES LIMITED and their respective members and creditors and at such meeting or any adjournment thereof to vote*_____ the said Scheme for me/us and in my/our name(s).

Dated this day of , 2014.

Signature: (Revenue Stamp)

Name & Address:

NOTE: 1. Please affix appropriate Revenue Stamp before putting signature.

2. The Proxy must be deposited at the Registered Office of the Applicant Company at least 48 hours before the time of holding the meeting.

*(If you want to vote in favour of the Scheme with or without modification put 'FOR' and in case you intend to vote against put 'AGAINST').

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