



Report of Audit Committee Recommending the Draft Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited, a wholly owned subsidiary of the Company and their respective Shareholders and Creditors

Date: May 30, 2018

Members of Audit Committee:

1. Mr. Susil Kumar Pal
2. Mr. Vinod Kumar Kothari
3. Mr. Upendra Nath Challu

Present in Meeting:

1. Mr. Susil Kumar Pal
 2. Mr. Vinod Kumar Kothari
 3. Mr. Upendra Nath Challu
 4. Mr. Vishwanathan Venkatramani, Chief Financial Officer
 5. Mr. Kaushal Kumar Agarwal, Company Secretary & Vice President-Legal
1. A Draft of the Composite Scheme of Arrangement between Greenply Industries Limited ("Greenply") and Greenpanel Industries Ltd. (Greenpanel) and their respective Shareholders and Creditors ("the Scheme") for demerger of "Transferred Business" (including all its assets and liabilities, (the "Demerged Undertaking") carried on by Greenply was presented to the Audit Committee in its meeting held on May 30, 2018.
 2. The Audit Committee Members noted that in terms of the Securities and Exchange Board of India ("SEBI") circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the Scheme is required to be considered and recommended by the Audit Committee of the Company as well.



For GREENPLY INDUSTRIES LIMITED

Kaushal
Kaushal Kr. Agarwal
 Company Secretary &
 Vice President - Legal

Greenply Industries Limited

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



3. The Audit Committee, pursuant to requirements, under the aforesaid circular, and after considering the following documents placed before it:
- Draft of the Scheme
 - Share Entitlement Ratio Report dated May 29, 2018 of M/s. S. P. Shaw & Co., Chartered Accountants, Kolkata and
 - Fairness Opinion dated May 30, 2018 of M/s. Edelweiss Financial Services Limited, Merchant Bankers, Mumbai.

hereby reports that the Demerger of the Transferred Business as envisaged in the Scheme shall be beneficial to all the stakeholders of Greenply.

The Committee has noted that -

- Both the Businesses of Greenply viz. Remaining Business and the Transferred Business has the potential to grow faster with independent growth platforms.
 - The Demerger would provide independent and focused Management, Leadership, Strategy and financing platforms to the respective Businesses. It is aimed at protecting and maximising value for all Stakeholders of Greenply and is not prejudicial to the interests of any Stakeholder.
 - Shareholder of Greenply shall receive an additional share in Greenpanel for every share held in Greenply and such new shares of Greenpanel shall be listed on the Stock Exchange(s).
4. In light of the foregoing, the Audit Committee recommends the Draft Scheme for favorable consideration by the Board of Directors, the Stock Exchange(s) and Securities & Exchange Board of India.

By order of the Audit Committee
For Greenply Industries Limited

Kaushal Kumar Agarwal
Company Secretary &
Vice President-Legal



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