

B S R & Co. LLP

Chartered Accountants

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

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

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

Management's Responsibility

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

Auditors' Responsibility

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



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

Auditors' Responsibility (*continued*)

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

Opinion

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

Restriction on Use

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

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

Chartered Accountants

ICAI Firm Registration number: 101248W/W-100022


Jayanta Mukhopadhyay
Partner
Membership No: 055757



Place: Kolkata

Date: 31 May 2018



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

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

9 ACCOUNTING TREATMENT

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

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

9.1 IN THE BOOKS OF THE DEMERGED COMPANY

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

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

9.2 IN THE BOOKS OF THE RESULTING COMPANY

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

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

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



Greenply Industries Limited

**SIGNED FOR IDENTIFICATION
BY**

For B S & Co. LLP

CHARTERED ACCOUNTANTS

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

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

For Greenply Industries Limited

CIN: L20211AS1990PLC003484



Authorised Signatory

Name: Vishwanathan Venkatramani

Designation: Chief Financial Officer

**SIGNED FOR IDENTIFICATION
BY**

For B S P & Co. LLP

CHARTERED ACCOUNTANTS

Place: Kolkata

Date: 31 May 2018

Greenply Industries Limited

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