

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

Dear Sirs,

Independent Auditors' Certificate on non-applicability of conditions under Paragraph I(A)(9)(a) of Annexure I of the circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India ("the SEBI")

1. This Certificate is issued in accordance with the terms of our engagement letter dated 31 May 2018.
2. The accompanying undertaking approved by the Board of Directors of Greenply Industries Limited ('the Company') at its meeting held on 30 May 2018 ('the Undertaking') stating the reasons for non-applicability of requirements under Paragraph I(A)(9)(a) of Annexure I of the circular dated 10 March 2017 issued by the SEBI, bearing reference no. CFD/DIL3/CIR/2017/21 (hereinafter referred to as 'the Circular'), has been prepared by the management of the Company pursuant to the requirements under Paragraph I(A)(9)(c) of Annexure I of the Circular in connection with its Draft Composite Scheme of Arrangement between Greenply Industries Limited (Demerged Company) and Greenpanel Industries Limited (Resulting Company) and their respective shareholders and creditors (hereinafter referred to as 'the Draft Scheme') in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. We have initialed the Undertaking for identification purpose only.

Management's Responsibility

3. The preparation of the Undertaking is the responsibility of the management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Draft Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
4. The management is also responsible for ensuring that the Demerged Company complies with the requirements of the Circular and the Act, in relation to the Draft Scheme and for providing all the information to SEBI, the BSE Limited ('the BSE') and the National Stock Exchange of India Limited ('the NSE').

Auditors' Responsibility

5. Pursuant to the requirements of the Circular, our responsibility is to examine the Draft Scheme and form an opinion whether the requirements in Paragraph I(A)(9)(a) of Annexure I of the Circular, as set out in the Undertaking, are applicable to the Draft Scheme.
6. We conducted our examination in accordance with the Guidance note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. 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.



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

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Independent Auditors' Certificate on non-applicability of conditions under Paragraph I(A)(9) of Annexure I of the circular dated 10 March 2017 issued by the Securities and Exchange Board of India ("the SEBI"), bearing reference no. CFD/DIL3/CIR/2017/21, as amended from time to time (continued)

Opinion

8. Based on our examination and according to the information and explanation given to us, in our opinion, the requirements of Paragraph I(A)(9)(a) of Annexure I of the Circular are not applicable to the Draft Scheme.

Restriction on Use

9. This certificate has been issued at the request of the Board of Directors of the Company solely in connection with the requirements of Paragraph I(A)(9)(c) of Annexure I of the Circular and for onward submission to the BSE and the NSE and should not be used by any other person or for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons without any prior written consent, except as required under applicable laws. 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 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



Undertaking in relation to non-applicability of requirements prescribed in paragraphs 9 (a) and 9 (b) of Annexure I to SEBI Circular no. CFD/DIL 3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) to the draft composite scheme of arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors (“Scheme”)

This is in reference to the draft composite scheme of arrangement between Greenply Industries Limited (“Demerged Company”) and Greenpanel Industries Limited, a wholly owned subsidiary of the Demerged Company (“Resulting Company”) and their respective shareholders and creditors under Sections 230-232 read with Section 66 of the Companies Act, 2013 and other applicable provisions thereunder.

The Scheme provides for the demerger of the business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. Presently, this business consists of the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and overseas subsidiary viz. Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd. (registered in Singapore) (“Demerged Undertaking”). Pursuant to the Scheme, all shareholders of the Demerged Company as on the Record Date (as defined in the Scheme) will receive equity shares in the Resulting Company and subsequently, such shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company.

Pursuant to paragraph I.A. 9 (c) of the SEBI Circular, the Demerged Company is required to provide an undertaking for the non-applicability of the requirements set out in paragraph I.A.9 (a) of the SEBI Circular, if the events specified in paragraph I.A.9 (b) are not applicable. Accordingly, the Demerged Company hereby undertakes that the following provisions of the SEBI Circular shall not be applicable for the reasons mentioned below:

a) Paragraph I.A.9 (b)(i):

The Scheme does not envisage any allotment of additional shares to Promoter/Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, without any further application or deed, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company.

Accordingly, it is evident that all members of the Demerged Company as on the Record Date will receive equity shares in the Resulting Company in proportion to the shares they held in the Demerged Company as mentioned above, and no additional shares shall be allotted to the Promoter/Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

SIGNED FOR IDENTIFICATION
BY

For B S R & Co. LLP
CHARTERED ACCOUNTANTS



Greenply Industries Limited

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b) Paragraph I.A.9 (b)(ii):

The Scheme envisages demerger of the Demerged Undertaking and transfer and vesting of the same into the Resulting Company (which is the wholly owned subsidiary of the Demerged Company). Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall, without any further application or deed, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date, 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each, of the Resulting Company. Accordingly, paragraph I.A.9 (b)(ii) is not applicable as the Scheme is envisaged between the Demerged Company and its wholly owned subsidiary, the Resulting Company and does not involve any arrangement between the Demerged Company and the Promoter/Promoter Group, Related Parties of the Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group.

c) Paragraph I.A.9 (b)(iii):

The Scheme does not envisage any acquisition of shares of the Resulting Company, either directly or indirectly, from any shareholders of the Resulting Company who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Demerged Company.

The Scheme provides for cancellation of shares held by the Demerged Company in the Resulting Company. Accordingly, paragraph I.A.9 (b)(iii) is not applicable.

d) Paragraph I.A.9 (b)(iv):

The Scheme does not involve the merger of the Resulting Company into the Demerged Company. Accordingly, this paragraph is not applicable.

e) Paragraph I.A.9 (b)(v):

Pursuant to the Scheme, the shares of the Resulting Company will be listed with BSE Ltd. and National Stock Exchange of India Limited. Therefore, this paragraph is not applicable.

In view of the above reasons, the events specified in paragraph I.A.9 (a) and (b) of the SEBI Circular is not applicable in relation to the Scheme.

For Greenply Industries Limited

(Rajesh Mittal)
Managing Director
DIN: 00240900

SIGNED FOR IDENTIFICATION
BY
For B S T & Co. LLP
CHARTERED ACCOUNTANTS

Date: 30.05.2018
Place: Kolkata

Greenply Industries Limited

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