



**GREENLAM INDUSTRIES LIMITED**

Corporate Identity Number: U21016AS2013PLC011624  
 Registered Office: Makum Road, Tinsukia, Assam – 786 125  
 Phone: 011-42791399, Fax: 011-42791330  
 Email: [investors@greenlam.com](mailto:investors@greenlam.com) ; website: [www.greenlam.co.in](http://www.greenlam.co.in)

Dated: November 29, 2014

**FOR THE ATTENTION OF COMPANY’S SHAREHOLDERS**

The Hon’ble Gauhati High Court has, vide its order dated October 31, 2014, sanctioned the Composite Scheme of Arrangement under section 100 to 104 read with sections 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited (‘Greenply’ or ‘the Demerged Company’) and Greenlam Industries Limited (‘Greenlam’ or ‘the Resulting Company’) and their respective Shareholders and Creditors (‘the Scheme’). As per the Scheme, the assets and liabilities relating to the Decorative Business housed in Greenply have been transferred at book value to Greenlam with effect from the Appointed Date i.e. April 1, 2013.

We wish to inform the shareholders the date of acquisition and the proportionate cost of acquisition of the equity share(s) of Greenlam vis-à-vis the cost of acquisition of the equity share(s) of Greenply for the purpose of computing the capital gain / loss as per the Provisions of the Income Tax Act, 1961 (‘the Act’)

**The cost of acquisition in respect of each shareholder will be different and is relevant only in cases where shares of Greenply were acquired / bought before the record date i.e. November 27, 2014.**

Applicable Statutory Provisions: Section 49 (2C) and (2D) of the Act.

1. Cost of Acquisition of Resulting Company’s Shares	Original cost of acquisition X net book value of assets transferred by the Demerged Company as on the appointed date ..... net worth of the Demerged Company immediately before Demerger
2. Cost of Acquisition of Shares of Demerged Company	Original Cost of Acquisition of shares of the Demerged Company less Cost of Acquisitions of Resulting Company’s Shares (as computed under 1 above)

The net book value of assets which relate to the Decorative Business as on the appointed date (i.e. April 1, 2013) was INR 16535.30 Lacs and the net worth of Greenply immediately before demerger was INR 47106.85 Lacs. Thus, the proportion of net book value of the assets of Greenply transferred vis-à-vis the net worth of Greenply immediately before such demerger will be 35.10%. Accordingly, **the Cost of Acquisition of equity shares of Greenlam will be 35.10% of the total cost of acquisition of the original equity share in Greenply prior to such demerger.**

To determine post Demerger cost of acquisition of Equity Share(s) of Greenply and Greenlam in accordance with the provisions of the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of equity shares of Greenply in the following manner:-

<b>Name of the Company</b>	<b>% of Cost of Acquisition of Greenply's Shares</b>
Greenply Industries Limited	64.90
Greenlam Industries Limited	35.10
Total	100.00

For example: A shareholder holds 1 share of Rs. 5 each in Greenply before the record date i.e. November 27, 2014, assuming that the cost of acquisition of the same is Rs. 1000 per share and such Shareholder will be allotted 1 fully paid up equity share of Rs. 5 each of Greenlam and will also continue to hold 1 share in Greenply.

The proportionate cost of acquisition of 1 share of Rs. 5 each in Greenlam will be Rs.351 (Rs.1000\*35.10%) and that of 1 share of Greenply will be Rs. 649 (Rs.1000\*64.90%). Accordingly, the cost of acquisition of each share of Greenlam would be Rs 351 and the cost of acquisition of each share of Greenply would be Rs.649.

As regards the equity share(s) of Greenlam to be credited to your demat account / share certificate to be received by you, as the case may be, the date of acquisition for the purpose of capital gains/loss will be the date of acquisition of the original share(s) of Greenply for each shareholder as per clause (g) in Explanation 1 to section 2(42A) of the Income Tax Act, 1961. Kindly consult your tax advisors, having regard to the facts of your case.

Further, according to the provisions of Section 47(vi)(d) of the Act, the issue of share(s) by a Resulting Company to the shareholders of the Demerged Company, pursuant to the Scheme, is not a transfer and hence not taxable in the hands of the shareholder.

We trust this explains the position clearly and would help you to compute the cost of acquisition per share individually for Greenply and Greenlam, both, pre and post demerger, if and when the shares are sold attracting capital gains/loss under the Act. The shareholders are advised to seek legal opinion, should they feel it necessary.

*This communication is merely for the general guidance of the shareholders, and Greenply / Greenlam takes no express or implied liability in relation to this guidance.*

*Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to re-evaluated in light of the changes. Greenply/Greenlam do not take the responsibility of updating this communication at any time in future.*

Thanking You,

Yours faithfully  
**For Greenlam Industries Limited**

**Sd/-**  
**Prakash Kumar Biswal**  
**Company Secretary &**  
**Asst. Vice President-Legal**