

## INFORMATION MEMORANDUM



### GREENLAM INDUSTRIES LIMITED

(Incorporated under the Companies Act, 1956 on 12 August 2013)

**Registered Office:** Makum Road, Tinsukia, Assam – 786125

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**PROMOTER: MR. SAURABH MITTAL**

### INFORMATION MEMORANDUM FOR LISTING 24,136,374 EQUITY SHARES OF RS. 5 (INDIAN RUPEES FIVE ONLY) EACH

#### NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

#### GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of Greenlam Industries Limited, unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Greenlam Industries Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

#### ABSOLUTE RESPONSIBILITY OF GREENLAM INDUSTRIES LIMITED

Greenlam Industries Limited, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Greenlam Industries Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such Information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares of Greenlam Industries Limited are proposed to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our Company's website viz. [www.greenlam.com](http://www.greenlam.com). The Information Memorandum would also be made available on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

#### REGISTRAR AND SHARE TRANSFER AGENTS

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## **SECTION I - GENERAL**

### **I. DEFINITION, ABBREVIATIONS AND INDUSTRY RELATED TERMS**

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

| <b>Term</b>                                   | <b>Description</b>   |
|---|--|
| Appointed Date                                | 1 April 2013.  |
| Articles/Articles of Association              | Articles of Association of the Company.  |
| AGM   | Annual General Meeting of the Members of our Company   |
| AS  | Accounting Standards issued by the Institute of Chartered Accountants of India   |
| Board/Board of Directors                      | Board of Directors of the Company.   |
| “Scheme” or “Composite Scheme of Arrangement” | 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  |
| BSE   | BSE Limited  |
| CAGR  | Compounded Annual Growth Rate  |
| CDSL  | Central Depository Services (India) Limited  |
| Companies Act                                 | shall mean the (Indian) Companies Act 2013 (to the extent notified by the Government of India and currently in force), and the (Indian) Companies Act, 1956, to the extent not repealed and replaced by notified provisions of the (Indian) Companies Act, 2013 and any amendment thereto or any other succeeding enactment for the time being in force. |
| Demerged Undertaking                          | shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of Greenply comprised in and/or pertaining to the whole business operations of Decorative Business of Greenply as on the Appointed Date, and as described in detail in the Composite Scheme of Arrangement.                                    |
| Decorative Business                           | shall have the meaning ascribed to the term in Chapter IX of Section III of this Information Memorandum  |
| Depository                                    | A body corporate registered under SEBI (Depositories and Participant) Regulations, 1996  |
| Depositories Act                              | Depositories Act, 1996 as amended from time to time  |
| DP/Depository Participant                     | A depository participant as defined under the Depositories Act   |

|   |  |
|---|--|
| Director(s)   | The director(s) on the Board of our Company  |
| EGM   | Extraordinary General Meeting of the members of our Company  |
| EPS   | Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year   |
| Effective Date  | shall mean 17 November 2014  |
| Equity Share(s)   | The equity share(s) of our Company with a face value of Rs. 5/- (Rupees Five) each unless otherwise specified in the context thereof   |
| Financial Year/Fiscal Year/FY   | Any period of twelve months ended March 31, of that particular year, unless otherwise stated   |
| GAAP  | Generally Accepted Accounting Principles   |
| Gauhati High Court  | The Gauhati High Court (the High Court of Assam, Nagaland, Mizoram and Arunachal Pradesh)  |
| Greenply  | Greenply Industries Limited, a company incorporated under the provisions of the Companies Act and having its registered office at Makum Road, Tinsukia, Assam - 786 125  |
| 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 M/S Trade Combines |
| “Greenlam” or “the Company” or “our Company” or “Resulting Company”, “we” or “us” | Greenlam Industries Limited, a company incorporated under the provisions of the Companies Act and having its registered office at Makum Road, Tinsukia, Assam – 786 125.   |
| 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   |
| Income Tax Act  | The Income Tax Act, 1961, as amended from time to time   |
| Listing Agreement   | Listing agreement to be executed between the Company and the relevant Stock Exchanges  |
| “MoA” or “Memorandum of Association”  | Memorandum of Association of the Company.  |

|                        |   |
|------------------------|---|
| Mutual Fund            | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time  |
| N.A.                   | not applicable  |
| NSDL                   | National Securities Depository Limited  |
| NSE                    | National Stock Exchange of India Limited  |
| PAN                    | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time  |
| Promoter               | Mr. Saurabh Mittal  |
| Promoter Group         | shall have the same meaning as defined under Regulation 2(zb) of the ICDR   |
| Record Date            | shall mean 27 November 2014   |
| Registered Office      | Makum Road, Tinsukia, Assam – 786125  |
| 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 |
| RoC                    | Registrar of Companies at Shillong  |
| Rs. / Rupees / INR / ₹ | Indian Rupees   |
| Stock Exchanges        | NSE and the BSE   |
| SCRR                   | Securities Contracts (Regulation) Rules 1957 as amended from time to time   |
| SEBI Regulations/ICDR  | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time   |
| Stock Exchange(s)      | The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)  |

## **II. CERTAIN CONVENTIONS AND USE OF MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from the financial statements prepared in accordance with the Indian GAAP. The current financial year commenced on 12 August 2013 and ended on 31 March 2014. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For definitions, please see the section “*Definition and Conventional and General Terms*”.

Unless stated otherwise, industry data and market data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Information Memorandum is meaningful depends on the readers’ familiarity with and understanding of the methodologies used in compiling such data.

### III. FORWARD LOOKING STATEMENTS

Certain statements in this Information Memorandum constitute “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Our forward- looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- General political, social and economic conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the laminates industry;
- Failure to undertake projects on commercially favorable terms;
- Accidents and natural disasters; and
- Other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under “*Risk Factors*”, “*Business Overview*” and “*Industry Overview*”. These forward-looking statements speak only as at the date of this Information Memorandum. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.



#### IV. CURRENCY OF PRESENTATION

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to ‘Rupees’, “Rs.”, “INR”, “₹” are to the Indian Rupees, the official currency of the Republic of India.

All references to:

- “Singapore \$” are to the official currency of Republic of Singapore;
- “GBP” are to the official currency of United Kingdom of Great Britain and Northern Ireland, together with its territories and possessions;
- “Thailand baht” are to the official currency of the Kingdom of Thailand;
- “USD” are to United States Dollar, the official currency of the United States of America;
- “IDR” are to Indonesian Rupiah, the official currency of the Republic of Indonesia.

#### Exchange Rates

The Information Memorandum contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all. The exchange rates of the respective foreign currencies as on March 31, 2012, March 31, 2013, March 31, 2014 and September 30, 2014 are provided below:

| Currency      | Exchange Rate<br>as of 31.03.2012 | Exchange Rate<br>as of 31.03.2013 | Exchange Rate<br>as of 31.03.2014 | Exchange<br>Rate as of<br>30.09.2014 |
|---------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| GBP           | 81.3156                           | 82.4242                           | 99.7849                           | 100.0451                             |
| Singapore \$  | 40.5131                           | 43.7143                           | 47.5846                           | 48.4058                              |
| Thailand Baht | 1.6495                            | 1.8524                            | 1.8497                            | 1.90420                              |
| USD           | 50.8763                           | 54.28                             | 59.89                             | 61.79                                |
| IDR           | 0.0055                            | 0.00559                           | 0.00531                           | 0.0051                               |

Source: [www.mecklai.com](http://www.mecklai.com)

## **SECTION II – RISK FACTORS**

### **V. RISK FACTORS**

*The risks described below and any additional risks and uncertainties not presently known to our Company or that are currently deemed immaterial could adversely affect our Company's business, financial condition or results of operations and the trading price of our Equity Shares could decline. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

#### **INTERNAL RISK FACTORS**

##### **RISK RELATING TO THE COMPANY'S BUSINESS**

1. ***Our growth and our financial results may be affected by factors influencing the demand for our products.***

Our financial results are influenced by the macroeconomic factors determining the growth of the Indian economy as a whole and real estate sector in particular. The interior infrastructure sector is influenced by a growth in disposable income. A buoyant economy and rising per capita income and easy availability of housing finance drive urbanization, fuelling growth in housing and creating room for the interior infrastructure. The demand for interior infrastructure products is primarily dependent on the demand for real estate which influences the demand for laminates, decorative veneers, compact laminates and allied products.

Periods of slowdown in the economic growth of India has significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for laminates and other interior infrastructure products and the results of our operations.

2. ***If we are unable to implement our growth strategies in a timely manner, our business, financial condition and results of operations could be adversely affected.***

As part of our growth strategy, we have made and will continue to make substantial investment in new production capacities. We have continuously launched new products and finishes and expanded the brand to economy products as well.

Our success will depend, among other things, on our ability to source the required financing, assessment of potential markets, timing of our capital investments, the quantum of input costs, ability to attract new customers in India and abroad, the ability to maintain and enhance our position in India and overseas and the ability to maintain adequate operational and financial controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Our growth strategy may expose us to risks and uncertainties which may be beyond our control and accordingly, there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditure or at all. If the market conditions deteriorate and/or if operations do not generate sufficient funds or for any other reasons we are compelled to delay, modify or forego some or all aspects of our growth strategies our future results of operations may be affected.

3. ***We can provide no assurance that our new products will be commercially successful.***

The Company has introduced new value added products viz., high-end engineered wood flooring and pre-laminated particle board. Whether our new products will be accepted by and be successful in the market and whether we would be able to recoup the costs of manufacturing such new products cannot be assured. For various reasons, the success of our new products cannot be predicted with a reasonable certainty. There can be no guarantee that we will be able to succeed in new products in a timely manner or at all and that the products we introduced will be accepted in the market or that such acceptance will continue for any period of time. Failure to generate revenue from new products and/or the ability to maintain the quality and durability of our products and/or to maintain top-of-the-mind recall for our brands might weaken our product portfolio, negatively impact our brand, adversely affect our reputation and result in loss of our market share to our competitors.

**4. *Any unauthorized use of our trademarks could affect our business and may affect our reputation.***

We believe that our brands and in particular “Greenlam”, “New Mika” and “Green Decowood” have created a niche for themselves in the market. The products marketed under these brand names hold substantial goodwill and unauthorized usage of any of our brands would cause our business to suffer and may affect our market reputation.

**5. *The decrease in or removal of government incentives relating to exports, customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges may have a material adverse effect on our profitability.***

Taxes and other levies imposed by the Central or State Governments in India that affect the industry we operate include customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax incentives resulting in a decrease in the effective tax rate compared to the tax rates that we would have applied if these incentives had not been available. The laminate unit located at Nalagarh enjoys excise exemption for 10 (ten) years. Further, the said unit is entitled to 100% income tax exemption for 5 (five) years starting from FY 2010 and partial income tax exemption, to the extent of 30% (thirty percent), for 5 (five) years starting from FY 2015.

There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations. Any new taxes/changes in existing tax policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

**6. *Material changes in the regulations that govern us could affect our business, financial conditions and results of operation.***

Our manufacturing activities are subject to environmental laws and regulations promulgated by the Ministry of Environment and Forests, Government of India and State Pollution Control Board among other laws which regulate discharge of effluents, polluted emissions, hazardous substances and so on.

Many of these laws and regulations provide for substantial fines and potential criminal actions for any violations and require the installation of costly pollution control equipment or operational changes to limit pollution emissions and/or reduce the likelihood or impact of hazardous substance releases. In some cases, compliance with environmental, health and safety laws and regulations might only be achievable by significant capital expenditures, such as the installation of pollution control equipment. We cannot accurately predict future

developments, such as increasingly strict environmental laws or regulations and inspection and enforcement policies resulting in higher compliance costs and/or claims or liabilities to any environmental agency.

**7. *Costs associated with liability due to defects in our products may adversely affect our business, results of operations and reputation.***

Any defect in our products could affect the demand for our products and could result in customer claims for damages against us. In defending such claims, we may be exposed to substantial costs and may be subject to adverse publicity.

**8. *If we are unable to negotiate favourable credit terms from our suppliers, our results of operations would be adversely affected.***

While we have maintained a long term relationship with many of our suppliers and we have been able to negotiate favourable credit terms from them due to increased order sizes and timely payments, we cannot assure you that we shall be able to maintain such favourable credit terms in future. Although we have long term relationship with our suppliers, we do not have a formal written agreement with any of them. We get longer credit periods based on our relationship with the suppliers established over a period of time primarily because of continuity of orders placed with them, size of the order and timely payments made to suppliers.

**9. *As a manufacturing business, our success depends on the smooth supply and transportation of our products from our plants to our distributors and customers. Supply and transportation are subject to various uncertainties and risks, and delays in delivery or delivery of non-conforming shipments may result in rejected or discounted deliveries.***

We depend on sea-borne freight, rail and road based transportation to deliver our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. Disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in road infrastructure and port facilities or other events could impair our ability to supply our products to our customers. There is no assurance that such disruptions will not occur again in the future. Any such disruptions could have material adverse effect on our business, financial condition and results of operations. Further, in the case of a delayed shipment, the customer would have the right to reject the shipment or demand significant pricing discounts. Non-conforming shipments could also give rise to order rejections, discounts or other claims.

**10. *We may not successfully market our products outside India.***

Our overseas subsidiaries are in the business of marketing high-pressure laminates in European Union, Middle-East, South-East Asia, USA etc. and we are in the process of expanding our presence in the said regions. However, we cannot assure you that our above stated business ventures would be successful.

**11. *Any disruption in our manufacturing facilities caused due to labour unrest or natural disasters may affect our results of operations.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of external contractors, industrial accidents, earthquakes, and other natural disasters. We also need to comply with the directives of relevant government authorities. We cannot assure you that our insurance coverage may be adequate should any or all of the aforesaid contingencies

actually occur. The occurrence of any or all of these could significantly affect our operating results.

**12. *We are subject to fast-growing resource costs and non-commensurate increase in end-product realisation.***

We are strongly focused on tightening operational efficiencies to control operating costs. Any inability on our part to improve or maintain the operating margins, decrease the raw material costs and lower the cost of production might reduce our margins and thereby adversely affect our business, financial condition and results of operations.

**13. *Our success depends largely on our senior management and skilled manpower and our ability to attract and retain our key personnel.***

Our success depends on the continued services and performance of the members of the management team and other key employees. If one or more members of our senior management team were unable or unwilling to continue in their present positions, those persons could be difficult to replace and our business could be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge for companies in India. A shortage of skilled manpower might affect our business by hampering the product process and narrowing down the profitability. As such, any loss of the senior management personnel or key employees could adversely affect our business, results of operations and financial condition.

**14. *Any polarisation in labour relations may subject us to industrial unrest, slowdowns, and increased wage costs.***

India has stringent labour legislations that protect the interests of workers, including legislations that set forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Our Behror and Nalagarh unit workers have created union in respect of the said units to safeguard their interests. Although, we currently have harmonious relations with all our employees, there can be no assurance that we will continue to have such relations. If our relations with the employees are strained, our business may be adversely affected.

**15. *Certain loans which our Company has availed of contain undertakings, conditions and restrictive covenants which could restrict our ability to conduct business and operations.***

The agreements governing certain of our debt obligations include terms that require us to, *inter alia* take prior approval of our lenders for undertaking any merger, demerger, pledge, lien, consolidation, reorganization, dissolution, amendment or modification of our charter documents, pass a resolution of voluntary winding up and approach capital markets mobilizing additional resources either in the form of debt or equity. Failure to comply with the terms of our debt agreements or obtain waivers thereunder could result in the accelerated repayment of some or all of the debt, as well as the cross-acceleration of other debt, and payment of penal interest, which could adversely affect our liquidity, restrict our expansion plans and materially and adversely affect our business and results of operations and financial conditions. Moreover, the guarantees provided by us in respect of the facilities availed by our overseas subsidiaries from various banks / financial lenders may be invoked by such lenders on demand.

**16. *We require certain approvals and licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals in the ordinary course of our business. We have applied for renewals of certain expired statutory approvals, including approvals under the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008. Furthermore, our statutory approvals and licenses are subject to numerous conditions, some of which are onerous and require us to undertake substantial compliance-related expenditure including, submission of compliance reports, inspection of facilities, compliance with emission and waste disposal norms.

While we have applied for such renewals, we cannot assure that we will receive these renewals within the required time.

**17. *We have entered into, and will enter into, related party transactions.***

We have entered into, and will enter into, transactions with related parties, including our Promoter, Directors, subsidiaries and group companies. While we believe that in the past all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

**18. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of its financing arrangements.***

The amount of dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the foreseeable future. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event our Company makes a default in any of the repayment installments.

**19. *Our contingent liabilities could adversely affect our financial condition.***

Our contingent liabilities would include the contingent liabilities of our Company and corporate guarantees issued to the lenders on behalf of our subsidiaries. If any of these contingent liabilities were to materialise our financial condition could be adversely affected.

**20. *We are involved in legal proceedings which, if determined against us, could affect our business and financial conditions.***

We are party to various legal proceedings. No assurances can be given as to whether these matters will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. For further details, please refer to the section titled "*Outstanding Litigations, Defaults and Material Developments*" of this Information Memorandum.

**21. *We do not own the premises where our registered office, our branch offices are located and in the event our rights over the property are not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.***

At present we do not own the premises that we use as our registered office and our branch offices. In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy, we may suffer disruption in our operations. If the terms of the lease are violated by us or if we are unable to renew the leases prior to the expiry of the term thereof on terms and conditions favourable to us, we may suffer a disruption in our operations.

**22. *A strong US Dollar and Euro might narrow down our profit margins.***

Our Company imports majority of its raw materials. We have a natural hedge in the form of dollar exports. In the recent past, the US Dollar and the Euro exchange rate has been a strong performer in the exchange rate scenario. A strong US Dollar and Euro exchange rate has increased the cost of our raw materials and has dented our profitability to that extent. We import part of our raw materials on credit terms varying between 0-180 days. Increase in US Dollar and Euro exchange rates between the time of arrival of material at manufacturing units and payment to creditors has led to substantial losses in the past. Any further increase in the US Dollar and the Euro exchange rate may have an adverse effect on our financial condition and results of operations.

**23. *Our business is highly dependent on information technology for efficient supply chain management. Inefficient supply chain management by us or third parties may affect our business and results of our operations.***

Our Company relies on our information technology systems in managing our supply chain, logistics and other integral part of our business. However, if timely and adequate supplies of raw materials on acceptable commercial terms are not available to us, or if there are significant increases in the costs of these materials, then our margins, result of operations and financial conditions may be adversely affected.

**24. *Future growth may depend on raising capital and/or loan or lease finance.***

Our Company may need to raise additional capital or loan finance in future. Failure to do so on acceptable terms could impact our growth plans. Restrictive covenants in loans or lease documents could affect our business operations.

**25. *Our Company is in the process of receiving lenders' approvals in respect of realignment of credit facilities availed.***

Pursuant to the Scheme, the Company is in the process of obtaining no-objection/consent from all its lenders for realignment of its credit facilities and the security to be created in respect thereof. In the event the proposal of the Company for realignment of the credit facilities and the security in respect thereof is not accepted by any lender, then it may impact the business of the Company.

**26. *Our Company has obtained property on lease from a group company.***

The Company has executed a leave and license agreement with its group company Himalaya Granites Limited for obtaining on lease a shed situated at Panchalam Village, Melpattai post, Tindivanam, Tamil Nadu for operating its regional distribution centre. Mr. Saurabh Mittal is a director on the board of our Company as well as the board of Himalaya Granites Limited. In the event our rights over the said property are not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.

**27. *Our Promoter and Promoter Group and directors are interested in our Company to the extent of their shareholding.***

The shareholding of our Promoter and Promoter Group and directors in our Company is 55.00% and 2.76% respectively. To the extent of their respective shareholding in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares; our Promoter and directors are interested.

**28. *Some of our Group Companies has incurred losses during the last three years.***

Our Group Companies have incurred losses in the recent past as set out in the table below:

| Sr. No. | Name of Group Company                  | Profit/ (Loss) after tax (Rs.) |             |             |
|---------|--|--------------------------------|-------------|-------------|
|         |  | Fiscal 2014                    | Fiscal 2013 | Fiscal 2012 |
| 1.      | JayJay Agencies Private Limited        | (70,546)                       | (70,977)    | (72,488)    |
| 2.      | Prime Properties Private Limited       | (23,58,571)                    | (36,15,551) | 15,98,851   |
| 3.      | Greenlam VT Industries Private Limited | (27,184)                       | N.A         | N.A         |
| 4.      | S.M. Safeinvest Private Limited        | (19,508)                       | N.A         | N.A         |

**29. *There is no prior trading history of the Equity Shares.***

Since the Equity Shares have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, law and order activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

**30. *Significant trading volumes of the Equity Shares on the Stock Exchanges in the period on listing could impact the price of our Company's Equity Shares.***

Following admission of our Equity Shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the Equity Shares. A high volume of sales of our Equity Shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our Equity shares.

**31. *Restrictions & fluctuations on daily movement.***

There are restrictions on daily movements in the price of the equity shares, which may adversely affect a shareholder's ability to sell, or the price at which they can sell Equity Shares at a particular point in time. After this issue, our Equity Shares may experience price and volume fluctuations.

**32. *Our Company may decide to offer additional Equity Shares in the future, diluting the interests of existing Shareholders which could adversely affect the market price of Equity Shares.***

Our Company's ability to execute our business strategy depends on our access to an appropriate blend of debt financing, and equity financing. If our Company decides to offer additional Equity Shares or other securities convertible into Equity Shares in the future, this could dilute the interests of existing Shareholders which could have an adverse impact on the market price of Equity Shares. An additional offering of Equity Shares by our Company, or the public perception that an offering may occur, could have an adverse impact on the market price of the Equity Shares.



## **EXTERNAL RISK FACTORS**

### **RISK RELATING TO THE INDUSTRY**

1. ***External events beyond the control of our Company may have a negative impact on our business.***

The occurrence of events such as terrorist attacks and other acts of violence or war involving countries where we operate could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition. Certain other factors beyond the control of our Company like earthquake, floods, civil unrest, epidemic, disease, war etc. or any other acts of violence involving India and other countries can adversely affect the business of our Company.

2. ***Any adverse changes to credit ratings of countries where we operate by an international rating agency could have a negative impact on the business of our Company.***

Any adverse changes to credit ratings of countries where we operate by an international agency may harm our ability to raise additional financing and interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our Company's financial performance and our ability to obtain financing to fund growth on favorable terms or at all.

3. ***The interior infrastructure industry has become increasingly competitive and our growth will depend on our ability to compete effectively.***

The Indian laminates industry is highly fragmented with over 40% (forty percent) constituted by the unorganized sector, from which the organized laminates sector faces intense competition. The unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects.

We also face competition from the organized sector. Important factors affecting competition in our industry are competitive pricing, ability to introduce innovative products, exclusive designs, product branding, logistic advantages and the extent of distribution network. There are no published sources available for establishing our present market share in the organized laminates sector. However, we believe that our market share in the organized laminates sector is approximately 28% (twenty eight percent) as of 31 March 2014.

4. ***As a manufacturing business, our success depends on the supply of raw materials which are subject to certain risks such as availability and increase in pricing.***

The primary raw material for laminates is paper and chemicals. The quality of our products and customers' acceptance of our products depends on the quality of raw materials and our ability to deliver in a timely manner. While we have long term relationships with many of our suppliers, we have not entered into any formal written supply contracts with such parties to ensure regular and timely supplies of raw materials in the medium and long term. From the perspective of raw material supply, a medium term period would range from 6 (six) months to 12 (twelve) months and a long term period would be for a period exceeding 12 (twelve) months.

The failure of our suppliers to deliver raw materials in the necessary quantities or on schedules, of a specified quality/ standard/ specification may adversely affect our production processes thereby giving rise to contractual penalties or liabilities, loss of customers and affect our reputation any of which could adversely affect our business, financial condition and results of operations.

Further, if the costs of raw materials rises and we are unable to recover these by resorting to cost saving measures or by increasing the price of our products our results of operations could suffer. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost effective manner.

## **RISK RELATING TO INDIA**

1. ***Significant changes have been made to the existing Indian Company law framework as a result of the Companies Act 2013, which may result in higher compliance requirements and increase our compliance cost.***

With the provisions and rules under the Companies Act 2013 being notified, the corresponding provisions of the Companies Act, 1956 have become inoperative. The Companies Act, 2013 has resulted in significant changes to the Indian company law framework, such as in the provisions relating to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, responsibility of director and key managerial personnel, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing.

Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

2. ***The extent and reliability of Indian infrastructure could adversely impact our results of operations and financial condition.***

India's physical infrastructure is less developed than that of many developed nations and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

3. ***Changes in Indian Government policies could adversely affect economic conditions in India, and thereby adversely impact our results of operations and financial condition.***

All of our production facilities are located in India, and a significant portion of its revenue is derived from sales of its products in the Indian market. Consequently, our Company, and the market price and liquidity of the Equity Shares, may be affected by changes in the policy of the Government of India. For example, the imposition of foreign exchange controls, rising interest rates, inflation, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally. The Indian Government has in recent years sought to implement economic reforms, and the current Indian Government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous Indian Governments. However, the roles of the Indian

Government and the state governments in the Indian economy as producers, consumers and regulators have remained significant and there can be no assurance that liberalization policies will continue in the future. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our results of operations and financial condition in particular.

Further, if there is a change in accounting or tax policies applicable to Company, it may impact our reported results of operations. Furthermore, should any development arise such as a change in applicable law or rulings by court/tribunal /authorities/ that are unfavourable to our business, we may need to make provisions in our financial statements, which may increase our expenses, contingent and current liabilities.

**4. *Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of our Equity Shares to decrease.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India. In short, any significant financial disruption could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

**5. *Indian securities markets vary from various securities markets in other countries.***

The Indian securities markets may be more or less volatile than other securities' markets in the world, and the degree of company information available in the Indian securities market will vary from the information available in other markets. Therefore, shareholders will be subject to the risk of abnormal fluctuations in share prices on account of macro-economic and political factors and may or may not have access to all the relevant information regarding the securities.

***Notes to Risk Factors***

- *As on 30 September 2014, net worth of our Company was Rs. 21,898.57 lacs (Post-Scheme).*
- *The book value of our Company was Rs. 90.73 with the net worth as on 30 September 2014 (Post-Scheme).*
- *Details of related party transactions as on 30 September 2014 are as follows:*

|  |  |
|--|--|
| <i>Greenply Industries Limited<br/>(holding company)</i> | <i>Rs. 5,00,000 – Finance (Equity contribution received)</i> |
|--|--|

### **SECTION III – INTRODUCTION**

***YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH RISK FACTORS AND MORE DETAILED INFORMATION ABOUT OUR COMPANY AND FINANCIAL DATA INCLUDED ELSEWHERE IN THIS INFORMATION MEMORANDUM.***

#### **VI. SUMMARY OF INDUSTRY**

*(The information in this section is derived from various publicly available sources and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.)*

Indian laminates industry has been consistently growing since last six to seven years. The last two years have been a boom time for mushrooming of new laminate units. As per latest estimates, India has now more than 165 laminate producing establishments that include all kinds of laminates. It includes all types of Laminates categories – decorative & non-decorative panels. Since two years the economy has been slow and Indian laminates industry has been also affected up to an extent. Despite this, many existing players, who have strong market presence expanded capacities and various new players erected new laminates producing facilities that kept the industry expansion growth bound. Total production of 1.35 crore (13.5 million) to 1.40 crore (14 million) sheets every month in the country that includes export and domestic market. The Laminates production capacity has been growing year on year. In terms of number of sheets, the production has seen a growth of above 12% approximately since 2010. With growth in decorative laminates demands during 2011 & 2012 by snatching up some share of reconstituted veneers and from the furniture industry (laminates are being used instead of painting the inside areas of furniture), laminates noticed around 14% growth.

India's organised furniture industry is estimated at around US\$8 billion and expected to grow at a CAGR of about 25-30 per cent annually. India's furniture market was concentrated in Tier-I, Tier-II and Tier-III cities; the leading 784 urban centres contributed 41 per cent to the total consumer furniture market; Tier-I and Tier-II cities accounted for 33 per cent of the total market.

#### **Growth drivers of the industry**

- *Rising proportion of working age population*
- *Rising urbanization*
- *Rising consumer class*
- *Rising nuclear families*
- *Consumer Choices*

#### **Threats**

- *Competition from both unorganised and other organised players, leading to difficulties in improving market share*
- *Cheaper imports in certain product categories*

For further details please refer the Chapter titled “Industry Overview”

## **VII. SUMMARY OF BUSINESS**

Our Company's current business is resultant of de-merger of the Decorative and Laminates business of Greenply Industries Limited pursuant to the Composite Scheme of Arrangement. Post the said Scheme, our Company's business has been designed to be an interior infrastructure company engaged in the manufacture of laminates, decorative veneers and their allied products and are one of the largest in India in the segments in which we operate.

We have a pan-India presence and export our laminate products to various countries including the United States of America, Europe, Russia, United Kingdom, Israel, Middle East Countries, Singapore, Thailand, Malaysia, Taiwan, Hong Kong.

### **Our Competitive strengths**

- *Extensive distribution network*
- *Strong brand recall*
- *Proven and experienced management team*
- *Cost efficient sourcing and locational advantage*
- *Our global sales and marketing network*
- *Product Portfolio*

### **Our Business Strategy**

- *Capacity expansion and manufacture of new products*
- *To continue brand building and strengthening of the distributor network*
- *Product Innovation*
- *Newer Markets*

For further details please refer the Chapter titled "*Business Overview*"

### VIII. SUMMARY OF FINANCIAL INFORMATION

The information has been extracted from financial statements as on 30 September 2014:

#### **BALANCE SHEET AS AT 30 SEPTEMBER 2014**

|                               | Rs.                |
|-------------------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b> |                    |
| <b>Shareholders' Funds</b>    |                    |
| Share Capital                 | <b>500000.00</b>   |
| Reserves and Surplus          | <b>(172285.00)</b> |
| <b>Current Liabilities</b>    |                    |
| Trade payables                | <b>16854.00</b>    |
| Other current liabilities     | <b>300000.00</b>   |
| <b>TOTAL</b>                  | <b>644569.00</b>   |
|                               |                    |
| <b>ASSETS</b>                 |                    |
| <b>Non-Current assets</b>     |                    |
| Other Non-Current Assets      | <b>96337.00</b>    |
| <b>Current assets</b>         |                    |
| Cash and Cash Equivalents     | <b>515697.00</b>   |
| Short-Term Loans and Advances |                    |
| Other Current Assets          | <b>32535.00</b>    |

#### **STATEMENT OF PROFIT AND LOSS FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014**

|   | Rs.               |
|---|-------------------|
| <b>INCOME</b>   |                   |
| Other Income  | <b>0</b>          |
| <b>Total Revenue</b>                                      | <b>0</b>          |
| <b>EXPENDITURE</b>  |                   |
| Other expenses  | <b>92434.00</b>   |
| <b>Total expenses</b>                                     | <b>92434.00</b>   |
|   |                   |
| <b>Profit/ (Loss) Before Tax</b>                          | <b>(92434.00)</b> |
| Less: Tax Expenses  | <b>0</b>          |
| Current Tax   | <b>0</b>          |
| Deferred Tax  | <b>0</b>          |
| <b>Profit/ (Loss) After Tax</b>                           | <b>(92434.00)</b> |
| Earnings Per Equity Share of Face value of Rs. [5/-] each |                   |
| Basic and Diluted – Equity                                | <b>(0.92)</b>     |

*For further details please refer to the chapter titled “Financial Statements”*

## IX. COMPOSITE SCHEME OF ARRANGEMENT

The Hon'ble Gauhati High Court vide its order dated 31 October 2014 has approved the Composite Scheme of Arrangement whereby the decorative business of Greenply which includes manufacturing and marketing of high pressure laminates, decorative veneers, compact laminates and allied product(s) including all property, rights and powers and all debts, liabilities, duties and obligations of the decorative business of Greenply ("**Decorative Business**") stands demerged into a separate company viz. Greenlam Industries Limited (the "**Greenlam**" or the "**Resulting Company**"). 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. Ltd. (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).

The rationale for the Scheme is as follows:

- (i) 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.
- (ii) The Scheme 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.
- (iii) The Scheme shall create a new platform for independent growth of the Decorative Business, while allowing Greenply to concentrate its growth efforts in the plywood and medium density fibreboard businesses in a more focused manner thereby strengthening Greenply's and the Resulting Company's market leadership.
- (iv) 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.
- (v) The restructuring proposal is thus aimed at protecting and maximising 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 maximisation of benefits to all stakeholders and capitalize on the opportunity for growth.

## **The Salient Features of the Scheme are:**

### **1. TRANSFER OF UNDERTAKING**

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.

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 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.

## **2. ISSUE OF SHARES BY GREENLAM**

- 2.1 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 Rs. 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.
- 2.2 Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of the Scheme as mentioned in para 2.1 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 the 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.
- 2.3 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.
- 2.4 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.

- 2.5 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.
- 2.6 Till the listing of the equity shares of Greenlam to be issued pursuant to the 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 the Scheme.
- 2.7 Equity shares of Greenlam are allotted to the members of Greenply in terms of the 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**”).

### **3. OTHERS**

- 3.1 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.
- 3.2 The transfer of shares for realignment of shareholding and control in the respective companies in terms of para 3.1 above shall be deemed to have happened, in pursuance of the Scheme, in terms of mutual covenants contained herein.
- 3.3 Such transfer of equity shares between the Greenply Shareholder Group and the Greenlam Shareholder Group shall be effected as an integral part of the 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.
- 3.4 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.
- 3.5 Upon consummation of transfer envisaged in paragraph 3.1 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.

- 3.6 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 the 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.

#### 4. DETAILS OF ASSETS & LIABILITIES AS ON 31 MARCH 2013

(Rs. in lacs)

| Nature of Assets/Liabilities   | Written Down Value (WDV) | Amount of Assets/Liabilities to be Transferred to the Resulting Company | Amount of Assets/Liabilities Remaining With The Demerged Company | Transfer Price, If Transferred Other Than Book Value, Then Valuation Report Thereof |
|--------------------------------|--------------------------|---|--|---|
| <b>ASSETS</b>                  |                          |   |  |   |
| <b>Non-Current Assets</b>      |                          |   |  |   |
| Fixed Assets                   |                          |   |  |   |
| Tangible Assets                | 64,345.68                | 16910.21  | 47435.47   | N.A   |
| Intangible assets              | 833.16                   | 345.94  | 487.22   | N.A   |
| Capital Work-in-progress       | 2,337.08                 | 619.14  | 1717.94  | N.A   |
| Investments                    | 1,752.50                 | 1743.54   | 8.96   | N.A   |
| Long Term Loans & Advances     | 4,338.51                 | 1194.30   | 3144.21  | N.A   |
| Other Non-Current Assets       | 0.58                     | -   | 0.58   | N.A   |
| <b>Current Assets</b>          |                          |   |  |   |
| Inventories                    | 32,791.39                | 16,055.42   | 16,735.97  | N.A   |
| Trade Receivables              | 34,320.70                | 12,695.13   | 21,625.57  | N.A   |
| Cash & bank Balances           | 1,627.82                 | 104.46  | 1,523.36   | N.A   |
| Short Term Loans & Advances    | 10,212.24                | 4,819.73  | 5,392.51   | N.A   |
| Other Current Assets           | 25.62                    | -   | 25.62  | N.A   |
| <b>Total Assets</b>            | <b>1,52,585.28</b>       | <b>54,487.87</b>  | <b>98,097.41</b>   |   |
| <b>LIABILITIES</b>             |                          |   |  |   |
| <b>Non-Current Liabilities</b> |                          |   |  |   |
| Long-Term Borrowings           | 23,534.36                | 4,326.86  | 19,207.50  | N.A   |

|                                |             |           |           |     |
|--------------------------------|-------------|-----------|-----------|-----|
| Deferred Tax Liabilities (Net) | 4,033.45    | 630.46    | 3,402.99  | N.A |
| Other Long Term Liabilities    | 841.35      | 25.00     | 816.35    | N.A |
| Long Term Provisions           | 1,667.06    | 546.17    | 1,120.89  | N.A |
|                                |             |           |           |     |
| <b>Current Liabilities</b>     |             |           |           |     |
| Short-Term Borrowings          | 29,765.67   | 16,297.73 | 13,467.94 | N.A |
| Trade Payables                 | 29,332.26   | 11,213.83 | 18,118.43 | N.A |
| Other Current Liabilities      | 14,669.63   | 4,894.00  | 9,775.63  | N.A |
| Short-Term Provisions          | 1,028.45    | 18.52     | 1,009.93  | N.A |
| <b>Total Liabilities</b>       | 1,04,872.23 | 37,952.57 | 66,919.66 |     |
|                                |             |           |           |     |
| <b>Net Assets</b>              | 47,713.05   | 16,535.30 | 31,177.75 |     |

## **X. GENERAL INFORMATION**

Our Company (Corporate Identification Number U21016AS2013PLC011624) was incorporated on 12 August 2013 as a public limited company with the name “Greenlam Industries Limited”. Our Company received certificate of commencement of business on 16 August 2013. The registered office of our Company is situated at Makum Road, Tinsukia, Assam – 786125. Pursuant to the Composite Scheme of Arrangement between Greenply and our Company, which was approved by the Hon’ble Gauhati High Court, vide order dated 31 October 2014 the ‘Decorative Business’ stands demerged from Greenply and has been transferred to and vested in our Company.

### **Address of the Registered Office:**

Makum Road, Tinsukia, Assam – 786125

**Phone:** 0374-2352353

**Fax:** 0374-2338233

**CIN Number:** U21016AS2013PLC011624

### **Address of the Principal Office:**

1501-1505, Narain Manzil, 23 Barakhamba Road, New Delhi - 110001

**Phone:** 011-42791399

**Fax:** 011-42791330

### **Address of Registrar of Companies:**

Morellow Building, Ground Floor,

Kachary Road, Shillong, Meghalaya – 793001

### **Board of Directors:**

The Board of Directors as on the date of filing of the Information Memorandum

| <b>S.No.</b> | <b>Name of Director</b>   | <b>Designation</b>             |
|--------------|---------------------------|--------------------------------|
| 1.           | Mr. Shiv Prakash Mittal   | Non-executive chairman         |
| 2.           | Mr. Saurabh Mittal        | Managing Director & CEO        |
| 3.           | Ms. Parul Mittal          | Director- Design and Marketing |
| 4.           | Mr. Vijay Kumar Chopra    | Independent Director           |
| 5.           | Ms. Urvashi Saxena        | Independent Director           |
| 6.           | Ms. Sonali Bhagwati Dalal | Independent Director           |

For further details of the Board of Directors, refer to chapter titled “*Our Management*”.

### **Authority for Listing**

The Hon’ble Gauhati High Court vide its order dated 31 October 2014 has approved the Composite Scheme of Arrangement whereby the decorative business of Greenply shall be transferred to and vested with Greenlam with effect from the Appointed Date pursuant to Section 100 to 104 and 391 to 394 of the Companies Act. For further details of the Scheme please refer to Section titled “**Composite Scheme of Arrangement**”. In accordance with the said Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on NSE and BSE. Such listing and admission for trading is not automatic and will be subject to fulfillment of listing criteria by our Company as permitted by NSE and BSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by our Company. Our

Company has received ‘in-principle approvals’ from NSE and BSE in relation to listing of Equity Shares issued pursuant to the Scheme vide their letters dated 25 March 2014.

### **Eligibility Criterion**

There being no initial public offering or rights issue of securities, the eligibility criteria in terms of Chapter III of SEBI (ICDR) Regulations, 2009, as amended are not applicable. SEBI has vide its circulars i.e. SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21 May 2013 (both circulars together as “**SEBI Circulars**”), subject to certain conditions permitted unlisted issuer companies to make an application under Rule 19 (7) of the SCRR for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR for listing equity shares on a recognized stock exchange without making an initial public offer. SEBI has granted our Company such relaxation from requirement of compliance with Rule 19 (2) of SCRR vide its letter bearing number CFD/DIL/BNS/SGS/OW/4361/2015 dated 10 February 2015. Our Company has submitted the Information Memorandum, containing information to BSE and NSE and making such information available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Our Company has made the said Information Memorandum available on its website viz [www.greenlam.com](http://www.greenlam.com). Our Company will publish an advertisement in the newspapers containing details in accordance with SEBI Circulars. The advertisement shall contain specific reference to the availability of this Information Memorandum on the website of our Company.

### **Prohibition by SEBI**

Our Company, Directors, Promoter, other companies promoted by the Promoter and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

### **General Disclaimer from our Company/ Caution**

Our Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circulars or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **Bankers to our Company**

The list of bankers to our Company is as follows:

- (i) State Bank of India
- (ii) IDBI Bank Limited
- (iii) Bank of Baroda
- (iv) ICICI Bank Limited
- (v) CITI Bank, N.A.
- (vi) Standard Chartered Bank
- (vii) Federal Bank Limited
- (viii) Axis Bank Limited
- (ix) DCB Bank Limited

**Statutory Auditors****M/S D. Dhandaria & Company**

**Address:** Thana Road, Post-Tinsukia, Assam – 786 125

**Phone:** 0374 - 2337684

**Fax:** 0374 - 2350181

**Email:** [d\\_dhandaria@rediffmail.com](mailto:d_dhandaria@rediffmail.com)

**Contact Person:** Mr. Dindayal Dhandaria

**Registrar and Share Transfer Agent****Link Intime India Pvt. Ltd,**

**Address:** 44, Community Centre, Phase-I,  
Near PVR, Naraina Ind. Area, New Delhi-110028,

**Phone:** +91 11 4141 0592,

**Fax:** +91 11 4141 0591,

**Email:** [vishwa.joshi@linkintime.co.in](mailto:vishwa.joshi@linkintime.co.in)

**Contact Person:** Mr. Vishwa Mitra Joshi

## XI. CAPITAL STRUCTURE

### Share Capital

#### Pre-Scheme

| Particulars                           | Amount in Rs.      |
|---------------------------------------|--------------------|
| <b>Authorised Capital</b>             |                    |
| 20,00,000 Equity Shares of Rs. 5 each | 1,00,00,000        |
| <b>Total</b>                          | <b>1,00,00,000</b> |
| <b>Issued, Subscribed and Paid-Up</b> |                    |
| 1,00,000 Equity Shares of Rs. 5 each  | 5,00,000           |
| <b>Total</b>                          | <b>5,00,000</b>    |

#### Post-Scheme

| Particulars                             | Amount in Rs.       |
|---|---------------------|
| <b>Authorised Capital</b>               |                     |
| 3,00,00,000 Equity Shares of Rs. 5 each | 15,00,00,000        |
| <b>Total</b>                            | <b>15,00,00,000</b> |
| <b>Issued, Subscribed and Paid-Up</b>   |                     |
| 2,41,36,374 Equity Shares of Rs. 5 each | 12,06,81,870        |
| <b>Total</b>                            | <b>12,06,81,870</b> |

Pursuant to the Scheme, the Company has issued and allotted to each of the members of Greenply whose name is recorded in the register of members and records of the Depository as members of Greenply on the Record Date, Equity Shares in the Company in the ratio of 1 (One) equity share in the Resulting Company of the face value of Rs. 5/- (Indian Rupees Five) each credited as fully paid-up for every 1 (One) Equity Share of Rs. 5/- (Indian Rupees Five) each fully paid-up held by such member in Greenply.

#### Notes to Capital Structure:

##### (a) Equity Share Capital History

| S No. | Particulars of Allotment | Date when fully paid up | Consideration (cash, bonus, kind etc.) | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (in Rs.) | Issue Price (in Rs.) | Lock-in Period |
|-------|--------------------------|-------------------------|--|----------------------|---------------------------------|---------------------|----------------------|----------------|
| 1.    | Initial subscription     | 13 August 2013          | Cash                                   | 1,00,000             | 1,00,000*                       | 5                   | 5                    | N.A            |
| 2.    | Pursuant to Scheme       | 29 Novem                | -                                      | 2,41,36,374          | 2,41,36,374                     | 5                   | 5                    | N.A            |



|  |  |             |  |  |  |  |  |  |
|--|--|-------------|--|--|--|--|--|--|
|  |  | ber<br>2014 |  |  |  |  |  |  |
|--|--|-------------|--|--|--|--|--|--|

\* Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of the Scheme, all existing equity shares held by the existing shareholders of Greenlam, have been cancelled, without any further act or deed.

- (b) The Company was incorporated with authorized capital of Rs. 10,000,000/- (Indian Rupees Ten Million Only) divided into 2,000,000 Equity Shares of Rs. 5/- (Indian Rupees Five Only) each.
- (c) The authorized share capital of the Company is increased to Rs. 15,00,00,000 (Indian Rupees Fifteen Crores only) divided into 3,00,00,000 (Three Crores) Equity shares of Rs. 5 (Indian Rupees Five Only) each, vide ordinary resolution of the shareholders of the Company passed at its annual general meeting held on 30 October 2014.
- (d) The details of the Scheme and share entitlement ratio are given under the heading "Composite Scheme of Arrangement".
- (e) Our Company presently does not intend or propose to alter the capital structure for a period of six months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares or issue of Equity Shares (including any issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
- (f) Our Promoter and Promoter Group, our directors and their immediate relatives have not purchased or sold or financed, directly or indirectly, purchase of equity shares of our Company within six months immediately preceding the date of this Information Memorandum.
- (g) Our Company, our directors or our Promoter have not entered into any buy-back, standby or similar arrangements to purchase equity shares of our Company from any person.
- (h) Equity Shares being issued in the Scheme are fully paid up at the time of allotment.
- (i) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of our Company.
- (j) There shall be only one denomination for the equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- (k) Our Company has 4,035 members as on the date of this Information Memorandum

## SHAREHOLDING PATTERN

### (a) Shareholding pattern of the Company before the Scheme

| Category code | Category of shareholder   | Shareholding prior to demerger |               |
|---------------|---|--------------------------------|---------------|
|               |   | No.                            | %             |
| <b>(A)</b>    | <b><u>Promoter and Promoter Group</u></b>   |                                |               |
| <b>(1)</b>    | Indian  |                                |               |
| <b>(a)</b>    | Individuals/ Hindu Undivided Family   | 6                              | 0.01          |
| <b>(b)</b>    | Central Government/ State Government(s)   | -                              | -             |
| <b>(c)</b>    | Bodies Corporate  | 99,994                         | 99.99         |
| <b>(d)</b>    | Financial Institutions/ Banks   | -                              | -             |
| <b>(e)</b>    | <b><u>Any Other (specify)</u></b>   | -                              | -             |
|               | <b><u>Sub-Total (A)(1)</u></b>  | <b>1,00,000</b>                | <b>100.00</b> |
| <b>(2)</b>    | <b><u>Foreign</u></b>   |                                |               |
| <b>(a)</b>    | Individuals (Non-Resident Individuals/ Foreign Individuals)   | -                              | -             |
| <b>(b)</b>    | Bodies Corporate  | -                              | -             |
| <b>(c)</b>    | Institutions  | -                              | -             |
| <b>(d)</b>    | Qualified Foreign Investor  | -                              | -             |
| <b>(e)</b>    | Any Other (specify)   | -                              | -             |
|               | <b><u>Sub-Total (A)(2)</u></b>  | -                              | -             |
|               | <b><u>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</u></b>  | <b>1,00,000</b>                | <b>100.00</b> |
| <b>(B)</b>    | <b><u>Public shareholding</u></b>   |                                |               |
| <b>(1)</b>    | Institutions  | -                              | -             |
| <b>(a)</b>    | Mutual Funds/UTI  | -                              | -             |
| <b>(b)</b>    | Financial Institutions/ Banks   | -                              | -             |
| <b>(c)</b>    | Central Government/ State Government(s)   | -                              | -             |
| <b>(d)</b>    | Venture Capital Funds   | -                              | -             |
| <b>(e)</b>    | Insurance Companies   | -                              | -             |
| <b>(f)</b>    | Foreign Institutional Investors   | -                              | -             |
| <b>(g)</b>    | Foreign Venture Capital Investors   | -                              | -             |
| <b>(h)</b>    | Qualified Foreign Investor  | -                              | -             |
| <b>(i)</b>    | Any Other (specify)   | -                              | -             |
|               | <b><u>Sub-Total (B)(1)</u></b>  | -                              | -             |
| <b>(2)</b>    | <b><u>Non-institutions</u></b>  |                                |               |
| <b>(a)</b>    | Bodies Corporate  | -                              | -             |
| <b>(b)</b>    | Individuals -<br>i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.<br>ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | -                              | -             |
| <b>(c)</b>    | Qualified Foreign Investor  | -                              | -             |

| Category code | Category of shareholder   | Shareholding prior to demerger |               |
|---------------|---|--------------------------------|---------------|
| (d)           | Any Other (specify)   |                                |               |
|               | <b>Sub-Total (B)(2)</b>   | -                              | -             |
|               | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                     | -                              | -             |
|               | <b>TOTAL (A)+(B)</b>  | <b>1,00,000</b>                | <b>100.00</b> |
| (C)           | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                                |               |
| (1)           | Promoter and Promoter Group   | -                              | -             |
| (2)           | Public  | -                              | -             |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>1,00,000</b>                | <b>100.00</b> |

(b) **Shareholding pattern of the Company after the Scheme**

| Category code | Category of shareholder   | Shareholding post demerger |              |
|---------------|---|----------------------------|--------------|
|               |   | No.                        | %            |
| (A)           | <b>Promoter and Promoter Group</b>  |                            |              |
| (1)           | Indian  |                            |              |
| (a)           | Individuals/ Hindu Undivided Family   | 43,18,636                  | 17.89        |
| (b)           | Central Government/ State Government(s)                                     | -                          | -            |
| (c)           | Bodies Corporate  | 89,56,364                  | 37.11        |
| (d)           | Financial Institutions/ Banks   | -                          | -            |
| (e)           | <b>Any Other (specify)</b>  | -                          | -            |
|               | <b>Sub-Total (A)(1)</b>   | <b>1,32,75,000</b>         | <b>55.00</b> |
| (2)           | <b>Foreign</b>  |                            |              |
| (a)           | Individuals (Non-Resident Individuals/ Foreign Individuals)                 | -                          | -            |
| (b)           | Bodies Corporate  | -                          | -            |
| (c)           | Institutions  | -                          | -            |
| (d)           | Qualified Foreign Investor  | -                          | -            |
| (e)           | Any Other (specify)   | -                          | -            |
|               | <b>Sub-Total (A)(2)</b>   | -                          | -            |
|               | <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> | <b>1,32,75,000</b>         | <b>55.00</b> |
| (B)           | <b>Public shareholding</b>  |                            |              |
| (1)           | Institutions  | -                          | -            |
| (a)           | Mutual Funds/UTI  | 18,33,207                  | 7.60         |
| (b)           | Financial Institutions/ Banks   | -                          | -            |
| (c)           | Central Government/ State Government(s)                                     | -                          | -            |
| (d)           | Venture Capital Funds   | -                          | -            |
| (e)           | Insurance Companies   | -                          | -            |

| Category code | Category of shareholder   | Shareholding post demerger |               |
|---------------|---|----------------------------|---------------|
| (f)           | Foreign Institutional Investors   | 37,23,100                  | 15.43         |
| (g)           | Foreign Venture Capital Investors   | -                          | -             |
| (h)           | Qualified Foreign Investor  | -                          | -             |
| (i)           | Any Other (specify)   | -                          | -             |
|               | <b>Sub-Total (B)(1)</b>   | <b>55,56,037</b>           | <b>23.02</b>  |
| (2)           | <b>Non-institutions</b>   |                            |               |
| (a)           | Bodies Corporate  | 5,53,642                   | 2.29          |
| (b)           | Individuals -   | 7,71,355                   | 3.20          |
|               | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.              |                            |               |
|               | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.      | 39,03,258                  | 16.17         |
| (c)           | Qualified Foreign Investor  | -                          | -             |
| (d)           | Any Other (specify)   |                            |               |
|               | (d-i) NRI   | 55,315                     | 0.23          |
|               | (d-ii) Clearing Member  | 17,911                     | 0.07          |
|               | (d-iii) Foreign Company   | -                          | -             |
|               | (d-iv) Trust  | 3,586                      | 0.01          |
|               | <b>Sub-Total (B)(2)</b>   | <b>53,05,067</b>           | <b>21.98</b>  |
|               | <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                      | <b>1,08,61,374</b>         | <b>45.00</b>  |
|               | <b>TOTAL (A)+(B)</b>  | <b>2,41,36,374</b>         | <b>100.00</b> |
| (C)           | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                            |               |
| (1)           | Promoter and Promoter Group   | -                          | -             |
| (2)           | Public  | -                          | -             |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>2,41,36,374</b>         | <b>100.00</b> |

- (c) **List of persons/entities comprising as Promoter and Promoter Group of the Company after the Scheme#**

| S. No. | Name of Promoter   | Number of Equity Shares | Percentage of paid up capital |
|--------|--|-------------------------|-------------------------------|
| 1      | Rajesh Mittal on behalf of Rajesh Mittal HUF                 | 1,50,000                | 0.62                          |
| 2      | Rajesh Mittal  | 5,33,180                | 2.21                          |
| 3      | Saurabh Mittal   | 1,59,000                | 0.66                          |
| 4      | Saurabh Mittal on behalf of Trade Combines, Partnership Firm | 6,96,457                | 2.89                          |
| 5      | Shobhan Mittal   | 4,72,400                | 1.96                          |
| 6      | Shobhan Mittal on behalf of Trade Combines, partnership firm | 9,28,609                | 3.85                          |

|              |   |                    |              |
|--------------|---|--------------------|--------------|
| 7            | Shiv Prakash Mittal   | 5,06,000           | 2.10         |
| 8            | Shiv Prakash Mittal on behalf of Shiv Prakash Mittal HUF          | 1,78,000           | 0.74         |
| 9            | Shiv Prakash Mittal on behalf of Trade Combines, partnership firm | 4,85,410           | 2.01         |
| 10           | Sanidhya Mittal   | 18,000             | 0.07         |
| 11           | Santosh Mittal  | 55,180             | 0.23         |
| 12           | Karuna Mittal   | 1,36,000           | 0.56         |
| 13           | Parul Mittal  | 400                | 0.00         |
| 14           | Greenply Leasing & Finance Pvt Ltd                                | 27,14,731          | 11.25        |
| 15           | Prime Holdings Pvt. Ltd.  | 24,08,560          | 9.98         |
| 16           | S.M. Management Pvt. Ltd.   | 35,43,462          | 14.68        |
| 17           | Vanashree Properties Pvt. Ltd.                                    | 2,89,611           | 1.20         |
| <b>TOTAL</b> |   | <b>1,32,75,000</b> | <b>55.00</b> |

**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.*

**(d) Top ten shareholders 10 day prior to and as on the date of this Information Memorandum**

| S. No. | Name of Shareholder  | Number of Equity Shares held | Percentage of total capital |
|--------|--|------------------------------|-----------------------------|
| 1      | S.M. Management Private Limited                                  | 35,43,462                    | 14.681                      |
| 2      | Greenply Leasing and Finance Private Limited                     | 27,14,731                    | 11.247                      |
| 3      | Prime Holding Private Limited                                    | 24,08,560                    | 9.978                       |
| 4      | HSBC Bank (Mauritius) Limited A/C Jwalamukhi Investment Holdings | 23,76,884                    | 9.847                       |
| 5      | Ashish Dhawan  | 23,69,488                    | 9.817                       |
| 6      | HDFC Trustee Company Ltd.  | 18,33,207                    | 7.595                       |
| 7      | Shobhan Mittal (including shares                                 | 14,01,009                    | 5.804                       |

|              |   |                    |               |
|--------------|---|--------------------|---------------|
|              | held on behalf of Trade Combines, Partnership Firm)                                       |                    |               |
| 8            | Shiv Prakash Mittal (including shares held on behalf of Trade Combines, Partnership Firm) | 9,91,410           | 4.107         |
| 9            | Saurabh Mittal (including shares held on behalf of Trade Combines, Partnership Firm)      | 8,55,457           | 3.544         |
| 10           | Citigroup Global Markets Mauritius Private Limited  | 7,26,342           | 3.009         |
| <b>Total</b> |   | <b>1,92,20,550</b> | <b>79.629</b> |

*Note: The above shareholding is based on the aggregate shareholding considered on the basis of PAN number.*

- (e) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

| Sr. No.      | Name of the shareholder  | Number of shares held | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above} |
|--------------|--|-----------------------|--|
| 1            | HSBC Bank (Mauritius) Limited A/C Jwalamukhi Investment Holdings | 23,76,884             | 9.85   |
| 2            | Ashish Dhawan  | 23,69,488             | 9.82   |
| 3            | HDFC Trustee Company Ltd   | 18,33,207             | 7.60   |
| 4            | Citigroup Global Markets Mauritius Private Limited               | 7,26,342              | 3.01   |
| 5            | Akash Bhanshali and Manek Bhanshali                              | 3,30,000              | 1.37   |
| 6            | Morgan Stanley Mauritius Company Limited                         | 3,29,432              | 1.36   |
| 7            | Vallabh Roopchand Bhanshali                                      | 3,19,100              | 1.32   |
| 8            | Mangal Bhanshali   | 2,60,000              | 1.08   |
| <b>TOTAL</b> |  | <b>85,44,453</b>      | <b>35.40</b>   |

- (f) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares**

| Sr. No. | Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in |
|---------|---|------------------|--|
|---------|---|------------------|--|

|              |  |                  | Statement at para<br>(I)(a)<br>above} |
|--------------|--|------------------|---------------------------------------|
| 1            | HSBC Bank (Mauritius) Limited<br>A/C Jwalamukhi Investment<br>Holdings | 23,76,884        | 9.85                                  |
| 2            | Ashish Dhawan  | 23,69,488        | 9.82                                  |
| 3            | HDFC Trustee Company Ltd   | 18,33,207        | 7.60                                  |
| <b>Total</b> |  | <b>65,79,579</b> | <b>27.26</b>                          |

(g) **Post Realignment Shareholding of our Company#**

| Category<br>code | Category of shareholder   | Shareholding post demerger |              |
|------------------|---|----------------------------|--------------|
|                  |   | No.                        | %            |
| <b>(A)</b>       | <b><u>Promoter and Promoter Group</u></b>   |                            |              |
| <b>(1)</b>       | Indian  |                            |              |
| <b>(a)</b>       | Individuals/ Hindu Undivided Family   | 8,98,580                   | 3.72         |
| <b>(b)</b>       | Central Government/ State Government(s)   | -                          | -            |
| <b>(c)</b>       | Bodies Corporate  | 27,14,731                  | 11.25        |
| <b>(d)</b>       | Financial Institutions/ Banks   | -                          | -            |
| <b>(e)</b>       | <b><u>Any Other (specify)</u></b>   |                            |              |
|                  | Greenlam Shareholder Group (Saurabh Mittal, Parul Mittal, Greenply Leasing and Finance Pvt. Ltd., Shiv Prakash Mittal, Santosh Mittal, Shiv Prakash Mittal (HUF)) | 96,61,689                  | 40.03        |
|                  | <b><u>Sub-Total (A)(1)</u></b>  | <b>1,32,75,000</b>         | <b>55.00</b> |
| <b>(2)</b>       | <b><u>Foreign</u></b>   |                            |              |
| <b>(a)</b>       | Individuals (Non-Resident Individuals/<br>Foreign Individuals)  | -                          | -            |
| <b>(b)</b>       | Bodies Corporate  | -                          | -            |
| <b>(c)</b>       | Institutions  | -                          | -            |
| <b>(d)</b>       | Qualified Foreign Investor  | -                          | -            |
| <b>(e)</b>       | Any Other (specify)   | -                          | -            |
|                  | <b><u>Sub-Total (A)(2)</u></b>  | <b>-</b>                   | <b>-</b>     |
|                  | <b><u>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</u></b>  | <b>1,32,75,000</b>         | <b>55.00</b> |
| <b>(B)</b>       | <b><u>Public shareholding</u></b>   |                            |              |
| <b>(1)</b>       | Institutions  |                            |              |
| <b>(a)</b>       | Mutual Funds/UTI  | 18,33,207                  | 7.60         |
| <b>(b)</b>       | Financial Institutions/ Banks   | -                          | -            |
| <b>(c)</b>       | Central Government/ State Government(s)   | -                          | -            |
| <b>(d)</b>       | Venture Capital Funds   | -                          | -            |

| Category code | Category of shareholder   | Shareholding post demerger |               |
|---------------|---|----------------------------|---------------|
| (e)           | Insurance Companies   | -                          | -             |
| (f)           | Foreign Institutional Investors   | 37,23,100                  | 15.43         |
| (g)           | Foreign Venture Capital Investors   | -                          | -             |
| (h)           | Qualified Foreign Investor  | -                          | -             |
| (h)           | Any Other (specify)   | -                          | -             |
|               | <b>Sub-Total (B)(1)</b>   | <b>55,56,037</b>           | <b>23.02</b>  |
| (2)           | <b>Non-institutions</b>   |                            |               |
| (a)           | Bodies Corporate  | 5,53,642                   | 2.29          |
| (b)           | Individuals -   | 7,71,355                   | 3.20          |
|               | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.              |                            |               |
|               | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.      | 39,03,258                  | 16.17         |
| (c)           | Qualified Foreign Investor  | -                          | -             |
| (d)           | Any Other (specify)   |                            |               |
|               | (d-i) NRI   | 55,315                     | 0.23          |
|               | (d-ii) Clearing Member  | 17,911                     | 0.07          |
|               | (d-iii) Foreign Company   | -                          | -             |
|               | (d-iv) Trust  | 3,586                      | 0.01          |
|               | <b>Sub-Total (B)(2)</b>   | <b>53,05,067</b>           | <b>21.98</b>  |
|               | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                     | <b>1,08,61,374</b>         | <b>45.00</b>  |
|               | <b>TOTAL (A)+(B)</b>  | <b>2,41,36,374</b>         | <b>100.00</b> |
| (C)           | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> |                            |               |
| (1)           | Promoter and Promoter Group   | -                          | -             |
| (2)           | Public  | -                          | -             |
|               | <b>GRAND TOTAL (A)+(B)+(C)</b>  | <b>2,41,36,374</b>         | <b>100.00</b> |

(h) **Post Realignment Shareholding of Promoter/ Promoter Group#**

| S. No. | Name of Promoter   | Number of Equity Shares | Percentage of Paid up Capital |
|--------|--|-------------------------|-------------------------------|
| 1      | Saurabh Mittal   | 1,59,000                | 0.66                          |
| 2      | Parul Mittal   | 400                     | 0.00                          |
| 3      | Greenply Leasing & Finance Pvt Ltd   | 27,14,731               | 11.25                         |
| 4      | Shiv Prakash Mittal  | 5,06,000                | 2.10                          |
| 5      | Santosh Mittal   | 55,180                  | 0.23                          |
| 6      | Shiv Prakash Mittal on behalf of Shiv Prakash Mittal HUF                               | 1,78,000                | 0.74                          |
| 7      | Greenlam Shareholder Group (Saurabh Mittal, Parul Mittal, Greenply Leasing and Finance | 96,61,689               | 40.03                         |



|              |   |                    |              |
|--------------|---|--------------------|--------------|
|              | Pvt. Ltd., Shiv Prakash Mittal, Santosh Mittal, Shiv Prakash Mittal (HUF))* |                    |              |
| <b>TOTAL</b> |   | <b>1,32,75,000</b> | <b>55.00</b> |

**Note:**

*\*The expected shareholders pursuant to transfer of shares in line with Clause 17 of the Composite Scheme of Arrangement.*

*# 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*

## **XII. STATEMENT OF POSSIBLE DIRECT TAX BENEFITS**

To  
The Board of Directors,  
M/s. Greenlam Industries Ltd.,  
Makum Road,  
P.O. TINSUKIA – 786125  
(Assam)

### **SUB: STATEMENT OF POSSIBLE DIRECT TAX BENEFITS**

Dear Sirs,

We hereby report that the attached Annexure states the possible direct tax benefits available to Greenlam Industries Limited ('the Company') and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperative, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the Annexure are not exhaustive. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participations in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future ; or
- The conditions prescribed for availing of these benefits have been/ would be met with.

The contents of this Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretations of the current tax laws.

For D. DHANDARIA & COMPANY  
(Chartered Accountants)  
ICAI Firm Reg. No. 306147E

(Dindayal Dhandaria)  
Partner  
Membership No.10928

Place: Tinsukia  
Date: 11.11.2014

## **ANNEXURE TO THE STATEMENT OF POSSIBLE DIRECT TAX BENEFITS**

### **I. SPECIAL TAX BENEFITS**

#### **A. Special Tax Benefits Available to the Company**

1. Under Section 80-IC(2)(b)(ii) of the Act read with sub-section (3)(ii) of the said section, the profits and gains of the Company's manufacturing unit (i.e. undertaking) located at Panjhera, Nalagarh in Himachal Pradesh is entitled to a deduction of one-hundred per cent for five assessment years commencing with the initial assessment year and thereafter, thirty per-cent of the profits and gains for the next five assessment years. The said undertaking having started manufacturing goods in the financial year 2009-2010, is entitled to such deduction from Assessment Year 2010-2011 onwards.
2. Under section 32AC of the Act, the Company is entitled to a deduction on the actual cost of the new assets as follows:
  - (a) For the assessment year 2014-15, fifteen per cent of a sum equal to the plant & machinery acquired and installed after the 31st day of March, 2013 but before the 1st day of April, 2014, if the actual cost of such new asset exceeds one hundred crore rupees, and
  - (b) For the assessment year 2015-16, fifteen per cent of a sum equal to the plant & machinery acquired and installed after the 31st day of March, 2013 but before the 1st day of April, 2015, as reduced by the amount of deduction allowed, if any, for the assessment year 2014-15.
3. Under section 115BBD(1) of the IT Act, gross dividends received by the Company from specified foreign company is taxable at a concessional rate of fifteen per cent plus applicable Surcharge, Education Cess and Secondary and Higher Education Cess on income tax.

#### **B. Special Tax Benefits Available to the Shareholders of the Company**

There are no special tax benefits available to the shareholders of the Company.

### **II. GENERAL TAX BENEFITS**

#### **Under the Income Tax Act, 1961 ("the Act")**

The following tax benefits shall, *interalia*, be available to the company and its prospective shareholders under the Act.

#### **A. General Benefits Available to the Company**

1. Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company will be entitled to a deduction for depreciation: -
  - (a) In respect of tangible assets at the rates prescribed under Income Tax Rules, 1962.
  - (b) In respect of intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31<sup>st</sup> day of March, 1998 at the rates prescribed under Income Tax Rules, 1962.

- (c) In respect of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after 31<sup>st</sup> March, 2005, a further sum of 20% of the actual cost of such machinery or plant will be allowed as a deduction.
  - (d) Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any sources of income in subsequent Assessment Years as per section 32(2) of the Act.
- 2. Under the provisions of section 35(1)(i) of the Act read with clause (iv) of this sub-section, the Company shall be eligible for deduction of any expenditure (except capital expenditure for acquisition of land) laid out or expended on scientific research related to the business of the company.
- 3. Under the provisions of section 35(1)(ii) of the Act, the Company shall be eligible for a weighted deduction of 175% of any sum paid to an approved scientific research association which has, its object, undertaking of scientific research or to an approved university, college or other institution to be used for scientific research, related or unrelated to the business of the Company, subject to fulfillment of the prescribed conditions.
- 4. Under the provisions of section 35(1)(ia) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to certain companies to be used by it for scientific purpose, subject to fulfillment of the prescribed conditions.
- 5. Under the provisions of section 35(1)(iii) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to an approved research association which has, its object, undertaking of scientific research or to an approved university, college or other institution to be used by it for research in social sciences or statistical research, related or unrelated to the business of the Company, subject to fulfillment of the prescribed conditions.
- 6. Under the provisions of section 35(2AB)(i) of the Act, the Company shall be eligible for a weighted deduction of 200% of any expenditure incurred by the Company on in-house scientific research and development facility approved by the prescribed authority.
- 7. Under the provisions of section 35AC of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme.
- 8. Under the provisions of section 35CCA of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribe authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf.
- 9. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount

equal to 1/5<sup>th</sup> of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in the section.

10. Under section 35DD of the Act, the Company is eligible for deduction in respect of any expenditure incurred for the purpose of demerger for an amount equal to one-fifth of such expenses over five successive assessment years.
11. Under section 35DDA of the IT Act, the Company is entitled to deduction in respect of expenditure incurred in connection with voluntary retirement of its employees, of an amount equal to 1/5th of such expenses every year for a period of 5 years
12. Under the provisions of section 54EC of the Act and subject to the conditions and to be extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax subject to a limit of rupees fifty lakhs if the capital gains are invested within a period of 6 months during the financial year in which the assets are transferred or within the subsequent financial year from the date of transfer in the bonds issued by-
  - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988: on or after the 1<sup>st</sup> day of April 2006.
  - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1<sup>st</sup> day of April, 2006.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

13. Under section 10(34) of the Act, dividend (whether interim or otherwise), if any, received by the Company on its investments in equity shares of another domestic company shall be exempt from tax if such company has been subjected to "Dividend Distribution Tax" under section 115-O. The expenditure relatable to this income need to be determined in accordance with the provisions of section 14A of the Act read with rule 8D of the Income Tax Rules, 1962. However, under section 94(7) of the Act, the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.
14. Under section 10(35) of the Act, income received by the Company in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of such units) shall be exempt from tax. The expenditure relatable to this income need to be determined in accordance with the provisions of section 14A of the Act read with rule 8D of the Income Tax Rules, 1962. Moreover, under section 94(7) of the Act, the losses arising on account of Sale/transfer of units purchased up to three months prior to the record date and sold within nine months after such date will be disallowed to the extent of income on such units are claimed as tax exempt by the unitholder.
15. Under section 111A of the Act read with section 2(42A), profits and gains arising to the Company from certain specified transfer of short term capital assets is entitled to be taxed at a concessional rate of 15% plus applicable Surcharge, Education Cess and Secondary and Higher Education Cess on income tax.

16. Under section 10(38) of the Act read with section 2(42A), profits and gains arising to the Company from certain specified transfer of long term capital assets is exempt from tax. However, the income by way of long- term capital gain shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
17. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of a long term capital asset, being listed securities, or units, and zero coupon bond, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income-tax) (without indexation), at the option of the assessee.
18. Under section 80G of the Act, the Company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of sums paid, subject to limits and conditions as provided in the section.
19. Under section 115JAA of the IT Act, the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid for any assessment year against normal income-tax payable in subsequent assessment years. MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.
20. Under section 115-O of the Act, in order to compute the Dividend Distribution Tax (DDT) payable by the Company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year:
  - where the subsidiary is a domestic company and has paid DDT on such dividend; or
  - where the dividend is received from a specified foreign company and tax is payable by the Company under section 115BBD of the Act.
21. Under section 71 read with section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
22. Under section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

**B. General Benefits Available to the Company's resident Members/shareholders**

1. Under section 10(34) of the Act, dividend (whether interim or otherwise), if any, received by the Company's shareholders on their investments in Company's equity shares shall be exempt from tax as the company would be subjected to "Dividend Distribution Tax" under section 115-O. The expenditure relatable to this income need to be determined in accordance with the provisions of section 14A of the Act read

with rule 8D of the Income Tax Rules, 1962. However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

2. Under section 10(38) of the Act, long term capital gain arising to the Company's shareholders from transfer of its shares held for the period of twelve months or more is exempt. However, the income by way of long- term capital gain shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act, in case of shares held by limited companies.
3. Under section 111A of the Act, short term capital gains arising to the Company's shareholders from transfer of its shares will be subject to tax at the rate of 15% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income tax). Besides, the income by way of short-term capital gain shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act, in case of shares held by limited companies.
4. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of Company's shares, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income-tax) (without indexation), at the option of the assessee.
5. Short-term capital loss on sale of Company's shares can be set off against any capital gain income, long term or short term, in the same assessment year. Such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income.
6. Under section 54EC of the Act and subject to the conditions and to be extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of Company's shares will be exempt from capital gains tax subject to a limit of rupees fifty lakhs if the capital gains are invested within a period of 6 months during the financial year in which the assets are transferred or within the subsequent financial year from the date of transfer in the bonds issued by -
  - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988: on or after the 1<sup>st</sup> day of April 2006.
  - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1<sup>st</sup> day of April, 2006.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

7. Under section 54F of the Act, Long Term Capital Gain arising from transfer of the Company's shares [not covered under the section 10(38) of the Act] shall be exempt from tax if net consideration from such transfer is utilised within a period of one year

before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein mainly relating to retention of the acquired asset for a period of 3 years. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.

**C. General Benefits Available to Non Resident Indians/Members of the Company other than FIIs and Foreign Venture Capital Investors**

1. Under section 10(34) of the Act, dividend (whether interim or otherwise), if any, received by the Company's shareholders on their investments in the Company's equity shares shall be exempt from tax as the Company is subjected to "Dividend Distribution Tax" under section 115-O. The expenditure relatable to this income need to be determined in accordance with the provisions of section 14A of the Act read with rule 8D of the Income Tax Rules, 1962, if the Return of Income is filed in India.
2. Under Section 10(38) of Act, long term capital gain arising to the Company's shareholders from transfer of its shares held for a period of twelve months or more shall be exempt from tax.
3. Short -term capital loss on sale of Company's shares can be set off against any capital gain income, long term or short term, in the same assessment year. It should be noted that such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income, if Return of Income is filed in India.
4. Under section 54EC of the Act and subject to the conditions and to be extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax subject to a limit of rupees fifty lakhs if the capital gains are invested within a period of 6 months during the financial year in which the assets are transferred or within the subsequent financial year from the date of transfer in the bonds issued by -
  - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988: on or after the 1<sup>st</sup> day of April 2006.
  - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1<sup>st</sup> day of April, 2006.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

5. Under section 54F of the Act, Long Term Capital Gain arising from transfer of the Company's shares [not covered under the section 10(38) of the Act] shall be exempt from tax if net consideration from such transfer is utilised within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein mainly relating to retention of the acquired asset for a period of 3 years. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced.



6. Under the provisions of section 111A of the Act, capital gains arising to a shareholder from transfer of Company's shares, entered into in a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable Surcharge, Education Cess and Secondary & Higher Education Cess on income-tax).
7. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of Company's shares, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on income-tax).
8. Under section 115E of the Act, capital gains arising to the non-resident Indian on transfer of Company's shares held for a period exceeding 12 months shall [in cases not covered under section 10(38) of the Act] shall be taxed at a concessional rate of 10% (plus applicable Surcharge, Education al Cess and Secondary & Higher Education Cess on Income-tax) without indexation benefit.
9. Under the provisions of section 115F of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising to a non-resident Indian from the Company's shares subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
10. Under the provisions of section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax deductible at source has been deducted there from.
11. Under the provisions of section 115H of the Act, a non-resident Indian, on becoming resident in India in a subsequent year, has an option to be governed by the provision of Chapter XII-A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident".
12. Under the provision of section 115I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply.
13. Under section 90(2) of the Act, a non-resident shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder. The non-resident shareholder has the option to apply the rates in tax treaty or the Indian tax laws, whichever is beneficial to him. The benefits under tax treaties are available only if -
  - tax residential certificate is obtained from the Government of resident country.
  - submission of Form 10F by the non-resident to the payer.

#### **D. General Benefits Available to Foreign Institutional Investors (FIIs)**

1. Under section 10(34) of the Act, dividend (whether interim or otherwise), if any, received by the FIIs on their investments in the Company's equity shares shall be exempt from tax as the Company is subjected to "Dividend Distribution Tax" under section 115-O. The expenditure relatable to this income need to be determined in accordance with the provisions of section 14A of the Act read with rule 8D of the Income Tax Rules, 1962, if the Return of Income is filed in India.
2. Under Section 10(38) of Act, long term capital gain arising to the Company's shareholders from transfer of its shares held for a period of twelve months or more shall be exempt from tax.
3. Under section 111A of the Act, the income realized by FIIs on sale of the Company's shares by way of short term capital gains referred to in Section 111A of the Act would be taxed at the rate of 15% (plus applicable Surcharge, Education Cess and Secondary & Higher Education Cess on income-tax).
4. Under section 90(2) of the Act, a non-resident shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder. The non-resident shareholder has the option to apply the rates in tax treaty or the Indian tax laws, whichever is beneficial to him. The benefits under tax treaties are available only if -
  - tax residential certificate is obtained from the Government of resident country.
  - submission of Form 10F by the non-resident to the payer.

#### **E. Benefits available to Mutual Funds**

The Mutual Funds whose income is exempt under the provisions of section 10(23D) of the Act, would be entitled to exemption in respect of income from investment in the Company's shares also.

#### **Under The Wealth Tax Act, 1957**

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth-tax Act, 1957 and as such Wealth-tax Act will not be applicable.

#### **Notes**

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.
2. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax purchase, ownership and disposal of shares.
3. In respect of non-residents and foreign companies, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal

domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. In case the non-resident has fiscal domicile in a country with which no Tax Treaty exists, then due relief under Section 91 of the Act may, in given circumstances, be available.

4. Under the first proviso to section 48 of the Act, the non-resident Indian defined in section 115C(e) of the Act will be compensated for the lower earning in foreign currency on account of the fall in the value of the Indian rupee.
5. Our views expressed herein are based on the facts and assumptions indicated by the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of the Company. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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## **SECTION IV – ABOUT US**

### **XIII. HISTORY OF OUR COMPANY AND CERTAIN CORPORATE MATTERS**

The Company was incorporated on 12 August 2013 under the provisions of the Companies Act under the name and style of Greenlam Industries Limited with corporate identity number (CIN) U21016AS2013PLC011624 having registered office situated at Makum Road, Tinsukia, Assam - 786125. The Company obtained certificate of commencement of business on 16 August 2013.

The main objects of the 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.”*

#### **Changes in Memorandum and Articles of Association**

Since incorporation, the Company has once amended its Memorandum of Association in order to amend the ‘Authorised Share Capital’ clause to record the increase in authorised share capital of the Company to INR 150,000,000 (Indian Rupees One Fifty Million only) divided into 30,000,000 (Thirty Million) Equity shares of INR 5 (Indian Rupees Five Only) each, vide ordinary resolution of the shareholders of the Company passed at its annual general meeting held on 30 October 2014. Furthermore, the Company has vide its annual general meeting held on 30 October 2014 adopted new set of Articles of Association.

#### **Subsidiaries**

As on the date of submission of this Information Memorandum, following are the subsidiaries of our Company:

1. Greenlam Asia Pacific Pte. Limited (registered in Singapore),
2. Greenlam America, Inc. (registered in USA),
3. Greenlam Europe (UK) Limited (registered in UK),
4. Greenlam Asia Pacific (Thailand) Co. Limited (registered in Thailand),
5. Greenlam Holding Co. Limited (registered in Thailand),
6. PT. Greenlam Asia Pacific (registered in Indonesia) and
7. Greenlam VT Industries Private Limited (registered in India).

**Note:** Company is taking necessary actions in relation to RBI compliances with respect to the overseas subsidiaries.

#### **GREENLAM ASIA PACIFIC PTE. LTD.**

#### **Corporate Information**

Greenlam Asia Pacific Pte. Ltd. was incorporated on 21 March, 2005 in Singapore and is engaged in the business of trading of plywood, high pressure decorative laminates and allied products.

#### **Interest of our Company in Greenlam Asia Pacific Pte. Ltd.**

Our Company holds 24,30,642 ordinary shares of Singapore \$1 each in Greenlam Asia Pacific Pte. Ltd. representing 100 % (one hundred percent) of the issued, subscribed and paid-up capital.

Issued, subscribed and paid-up share capital of Greenlam Asia Pacific Pte. Ltd. is Singapore \$ 4,30,642 divided into 24,30,642 ordinary shares of Singapore \$1 each.

#### **Board of Directors**

1. Mr. Saurabh Mittal, Managing Director
2. Mr. Tham Chin Kuo, Director

#### **Financial Information**

(Rs. in lacs)

| Particulars                | For the year ended<br>31.03.2014 | For the year ended<br>31.03.2013 | For the year ended<br>31.03.2012 |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|
| Equity capital             | 1,156.61                         | 1,062.54                         | 174.47                           |
| Reserves & Surplus         | (31.22)                          | (44.06)                          | (35.66)                          |
| Net worth                  | 1,125.39                         | 1,018.48                         | 138.81                           |
| Turnover/ sales            | 17,512.47                        | 13,724.94                        | 13,296.19                        |
| Profit after tax           | 16.73                            | (5.58)                           | 77.94                            |
| EPS (Rs.)                  | 0.69                             | (0.23)                           | 18.10                            |
| Book Value per share (Rs.) | 46.30                            | 41.90                            | 32.23                            |

#### **GREENLAM AMERICA INC.**

#### **Corporate Information**

Greenlam America Inc. was incorporated on 23 April, 2008 in USA and is engaged in the business of marketing and distribution of decorative laminates of the highest quality and high-pressure laminates in North and South America.

#### **Interest of our Company in Greenlam America Inc.**

Our Company holds 16,00,000 Shares of USD 1 each in Greenlam America Inc., representing 100 % of the issued, subscribed and paid-up capital.

Issued, subscribed and paid-up share capital of Greenlam America Inc. is USD 16,00,000 divided into 16,00,000 shares of USD 1 each.

#### **Board of Directors**

Mr. Saurabh Mittal

#### **Financial Information**

(Rs. in lacs)

| Particulars                | For the year ended<br>31.03.2014 | For the year ended<br>31.03.2013 | For the year ended<br>31.03.2012 |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|
| Equity capital             | 958.24                           | 868.48                           | 814.02                           |
| Reserves & Surplus         | (724.50)                         | (908.07)                         | (1202.17)                        |
| Net worth                  | 233.74                           | (39.59)                          | (388.15)                         |
| Turnover/ sales            | 4,558.67                         | 4,623.79                         | 3,529.91                         |
| Profit after tax           | 277.42                           | 374.54                           | 55.06                            |
| EPS (Rs.)                  | 17.34                            | 23.41                            | 3.44                             |
| Book Value per share (Rs.) | 14.61                            | (2.47)                           | (24.26)                          |

### **GREENLAM EUROPE (UK) LIMITED**

#### **Corporate Information**

Greenlam Europe (UK) Limited was incorporated on 19 September 2012 in UK and is engaged in the business of marketing and distribution of high-pressure laminates in European Union.

#### **Interest of our Company in Greenlam Europe (UK) Limited**

Our Company holds 1 (one) Ordinary Share of GBP 1 each in Greenlam Europe (UK) Limited and 1,88,279 Ordinary shares of GBP 1 each is held by Greenlam Asia Pacific Pte. Ltd., a wholly owned subsidiary of the Company, representing 100 % of the issued, subscribed and paid-up capital.

Issued, subscribed and fully paid-up ordinary share capital of Greenlam Europe (UK) Limited is GBP 1,88,280 divided into 1,88,280 ordinary shares of GBP 1 each.

#### **Board of Directors**

Mr. Saurabh Mittal

#### **Financial Information**

| Particulars                | (Rs. in lacs)                    |                                  |                                  |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|
|                            | For the year ended<br>31.03.2014 | For the year ended<br>31.03.2013 | For the year ended<br>31.03.2012 |
| Equity capital             | 187.88                           | 0.00                             | -                                |
| Reserves & Surplus         | (399.50)                         | (18.46)                          | -                                |
| Net worth                  | (211.62)                         | (18.46)                          | -                                |
| Turnover/ sales            | 231.58                           | -                                | -                                |
| Profit after tax           | (377.16)                         | (18.46)                          | -                                |
| EPS (Rs.)                  | (200.31)                         | (18,45,642.69)                   | -                                |
| Book Value per share (Rs.) | (112.39)                         | (18,45,560.26)                   | -                                |

### **GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED**

#### **Corporate Information**

Greenlam Asia Pacific (Thailand) Company Limited was incorporated on 20 November 2009 in Thailand and is engaged in the business of importing and trading of laminates and other interior materials including marketing and distribution of high-pressure laminates in Thailand.

### **Interest of our Company in Greenlam Asia Pacific (Thailand) Company Limited**

Our Company does not directly hold any shares in Greenlam Asia Pacific (Thailand) Company Limited.

19,000 Ordinary shares of THB 100 each is held by Greenlam Asia Pacific Pte. Ltd., a wholly owned subsidiary of the Company, representing 47.5 % of the issued and paid-up capital and 20,000 Ordinary shares of THB 100 each is held by Greenlam Holding Co., Ltd, a subsidiary of Greenlam Asia Pacific Pte. Ltd. representing 50% of the issued, subscribed and paid-up capital.

Authorised Share Capital of Greenlam Asia Pacific (Thailand) Company Limited is Baht 4,000,000 divided into 40,000 ordinary shares of Baht 100 each.

Issued, subscribed and paid-up share capital of Greenlam Asia Pacific (Thailand) Company Limited is Baht 4,000,000 divided into 40,000 ordinary shares of Baht 100 each.

### **Board of Directors**

1. Mr. Saurabh Mittal
2. Mrs. Roongnapha Bunnag

### **Financial Information**

| Particulars                | (Rs. in lacs)                    |                                  |                                  |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|
|                            | For the year ended<br>31.03.2014 | For the year ended<br>31.03.2013 | For the year ended<br>31.03.2012 |
| Equity capital             | 73.99                            | 74.10                            | 65.98                            |
| Reserves & Surplus         | 60.84                            | 31.35                            | (45.45)                          |
| Net worth                  | 134.83                           | 105.45                           | 20.53                            |
| Turnover/ sales            | 7,580.72                         | 5,923.96                         | 4,028.93                         |
| Profit after tax           | 29.54                            | 82.39                            | (5.48)                           |
| EPS (Rs.)                  | 73.85                            | 205.98                           | (13.70)                          |
| Book Value per share (Rs.) | 337.07                           | 263.62                           | 51.33                            |

### **GREENLAM HOLDING CO. LIMITED**

#### **Corporate Information**

Greenlam Holding Co. Limited was incorporated on 20 November 2009 in Thailand and is engaged in the business of marketing and distribution of high-pressure laminates in Thailand and also to purchase, procure, occupy, modify or manage the assets.

### **Interest of our Company in Greenlam Holding Co. Limited**

Our Company does not directly hold any shares in Greenlam Holding Co. Limited.

4,900 Ordinary shares of THB 100 each is held by Greenlam Asia Pacific Pte. Ltd., a wholly owned subsidiary of our Company, representing 49% of the issued, subscribed and paid-up capital and 5,000 Ordinary shares of THB 100 each is held by Greenlam Asia Pacific (Thailand) Co., Ltd, a subsidiary of Greenlam Asia Pacific Pte. Ltd. representing 50% of the issued, subscribed and paid-up capital.

Authorized Share Capital of Greenlam Holding Co. Limited is Baht 10,00,000 divided into 10,000 ordinary shares of Baht 100 each.

Issued, subscribed and paid-up share capital of Greenlam Holding Co. Limited is Baht 10,00,000 divided into 10,000 ordinary shares of Baht 100 each.

#### **Board of Directors**

1. Mr. Saurabh Mittal
2. Mrs. Roongnapha Bunnag

#### **Financial Information**

|                            | (Rs. in lacs)                        |                                      |                                      |
|----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Particulars</b>         | <b>For the year ended 31.03.2014</b> | <b>For the year ended 31.03.2013</b> | <b>For the year ended 31.03.2012</b> |
| Equity capital             | 18.50                                | 18.52                                | 16.50                                |
| Reserves & Surplus         | (6.26)                               | (4.69)                               | (2.45)                               |
| Net worth                  | 12.24                                | 13.83                                | 14.05                                |
| Turnover/ sales            | -                                    | -                                    | -                                    |
| Profit after tax           | (1.58)                               | (1.93)                               | (1.09)                               |
| EPS (Rs.)                  | (15.80)                              | (19.34)                              | (10.90)                              |
| Book Value per share (Rs.) | 122.38                               | 138.33                               | 140.46                               |

#### **PT. GREENLAM ASIA PACIFIC**

#### **Corporate Information**

PT. Greenlam Asia Pacific was incorporated on 5 June, 2012 in Indonesia and is engaged in the business of manufacture of promotional material i.e. catalogues, sample folders, chain sets, wall hooks, A4 size samples.

#### **Interest of our Company in PT. Greenlam Asia Pacific**

Our Company does not directly hold any shares in PT Greenlam Asia Pacific.

2,47,500 Ordinary shares of Indonesian Rupiah (IDR) 9,280 (USD 1) each is held by Greenlam Asia Pacific Pte. Ltd., a wholly owned subsidiary of the Company, representing 99 % of the issued and paid-up capital and 2,500 Ordinary shares of IDR 9,280 (USD 1) each is held by Mr. Saurabh Mittal representing 1% of the issued, subscribed and paid-up capital.

Issued, subscribed and fully paid-up ordinary share capital of PT Greenlam Asia Pacific is IDR 2,320,000,000 (USD 2,50,000) divided into 2,50,000 ordinary shares of IDR 9,280 (USD 1) each.

#### **Board of Directors**

Mr. Umakant Tiwari, Director

#### **Financial Information**

|                    | (Rs. in lacs)             |                           |                           |
|--------------------|---------------------------|---------------------------|---------------------------|
| <b>Particulars</b> | <b>For the year ended</b> | <b>For the year ended</b> | <b>For the year ended</b> |



|                            | 31/03/2014 | 31/03/2013 | 31/03/2012 |
|----------------------------|------------|------------|------------|
| Equity capital             | 128.05     | 134.70     | -          |
| Reserves & Surplus         | (1.56)     | (20.24)    | -          |
| Net worth                  | 126.49     | 114.46     | -          |
| Turnover/ sales            | 118.27     | 48.98      | -          |
| Profit after tax           | 17.68      | (20.24)    | -          |
| EPS (Rs.)                  | 6.80       | (7.80)     | -          |
| Book Value per share (Rs.) | 48.68      | 44.08      | -          |

## **GREENLAM VT INDUSTRIES PRIVATE LIMITED**

### **Corporate Information**

Greenlam VT Industries Private Limited was incorporated on 23 August 2013 in India with an object to engage in the business of manufacturing and trading of Doors and High-end Doors & allied products. The Company has not started any business till date.

### **Interest of our Company in Greenlam VT Industries Private Limited**

Our Company holds 10,000 Equity Shares of Rs.10/- each in Greenlam VT Industries Private Limited representing 100 % of the issued, subscribed and paid-up capital.

Authorised Share Capital of Greenlam VT Industries Private Limited is Rs.10,00,000/- divided into 1,00,000 equity shares of Rs. 10/-each.

Issued, subscribed and fully paid-up share capital of Greenlam VT Industries Private Limited is Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10/-each.

### **Board of Directors**

1. Mr. Shiv Prakash Mittal
2. Mr. Saurabh Mittal

### **Financial Information**

|                            | (Rs. in lacs)                 |                               |                               |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Particulars                | For the year ended 31/03/2014 | For the year ended 31/03/2013 | For the year ended 31/03/2012 |
| Equity capital             | 1.00                          | -                             | -                             |
| Reserves & Surplus         | (0.27)                        | -                             | -                             |
| Net worth                  | 0.73                          | -                             | -                             |
| Turnover/ sales            | -                             | -                             | -                             |
| Profit after tax           | (0.27)                        | -                             | -                             |
| EPS (Rs.)                  | (2.70)                        | -                             | -                             |
| Book Value per share (Rs.) | 7.30                          | -                             | -                             |

### **Shareholder's Agreement**

There exists no separate agreement executed between any shareholder and the Company.

#### **XIV. INDUSTRY OVERVIEW**

*(The information in this section is derived from various publicly available sources and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.)*

Indian laminates industry has been consistently growing since last six to seven years. The last two years have been a boom time for mushrooming of new laminate units. As per latest estimates, India has now more than 165 laminate producing establishments that include all kinds of laminates. It includes all types of Laminates categories – decorative & non-decorative panels. Since two years the economy has been slow and Indian laminates industry has been also affected up to an extent. Despite this, many existing players, who have strong market presence expanded capacities and various new players erected new laminates producing facilities that kept the industry expansion growth bound. Total production of 1.35 crore (13.5 million) to 1.40 crore (14 million) sheets every month in the country that includes export and domestic market. The Laminates production capacity has been growing year on year. In terms of number of sheets, the production has seen a growth of above 12% approximately since 2010. With growth in decorative laminates demands during 2011 & 2012 by snatching up some share of reconstituted veneers and from the furniture industry (laminates are being used instead of painting the inside areas of furniture), laminates noticed around 14% growth. After that growth in demand has been slow in domestic market but the number in exports, liner grade and 1.0 mm textures has maintained a fair growth enough to fuel production capacity expansions. Now with highly competitive 1.0 mm domestic market, the capacities that are being added are largely absorbed by the “liner grade or 0.6” and lower thickness material.

The average production of decorative laminates has crossed approximately 130 million sheets inclusive of all thicknesses but the gap between installed capacity and demand is growing bigger. The mid segment category is very important fraction of the decorative laminate segment as it holds 20 percent of the market share according to volume share or value, both. This category is also including few of those players who are very popular in trade with their economical pricing but are regarded as a brand. The Indian laminate Industry and trade is estimated to be of Rs. 4800 crores per annum in India. The reasons are positive sentiments, Emerging new areas and demand in already growing cities with new Government and growing commitment to work for social growth. The Indian laminates market is now being dominated by Top brands & Medium segment players. The Top brands hold approximately 41% in overall share including domestic & export markets but it holds only 34 percent share in domestic market. The domestic market is mainly led by unorganized category players who holds around 45 percent market share of Indian decorative laminate volumes. But the value analysis clearly reflects the dominance of top brands which holds more than half of the market share in laminates category. The mid Segment is almost on similar ratio be it volume wise (No. of sheets sold per month) or value wise.

*(Source: By Big Sea Marcom Pvt. Ltd. published in the Ply Reporter Special Issue)*

#### **Industry structure and development**

##### **Indian furniture industry**

India's organised furniture industry is estimated at around US\$8 billion and expected to grow at a CAGR of about 25-30 per cent annually. The modular furniture market in India was

estimated to be about US\$ 160 million (Source: <http://www.termpaperwarehouse.com/essay-on/Indian-Furniture-Retail-Industry/299449>). The above Laminate market in India is around Rs 4,800 crores and expected to grow around 1.5 times the GDP growth rate.

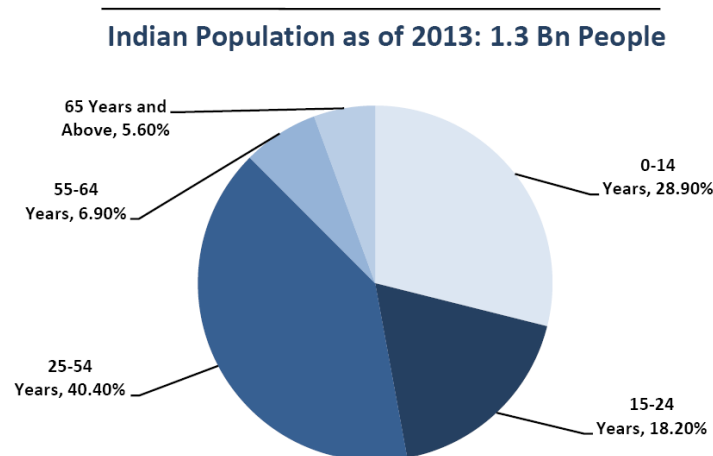
India's furniture market was concentrated in Tier-I, Tier-II and Tier-III cities; the leading 784 urban centres contributed 41 per cent to the total consumer furniture market; Tier-I and Tier-II cities accounted for 33 per cent of the total market.

Furniture consumption in India recorded 10 per cent average annual growth over the last decade, reaching about US\$ 15 billion in 2013 at retail prices. India's organized furniture sector is marked by about 5,000 companies and nearly 10,500 importers. India imports around US\$150 million worth of furniture, catering primarily to urban affluent households. India's interior decor industry is heading towards high-end, low maintenance, quickly installable and customisable products. Branded furniture accounts for a 30 per cent market share in India. IKEA announced intentions of investing Rs.10,500 crore (1.2 billion euro) following the recent policy change which permitted 100 per cent foreign direct investment (FDI) in single-brand retail, which can potentially widen the sector.

## Opportunities and threats

### Growth drivers of the industry

**Rising proportion of working age population:** India's median age of 24 makes it a young country with a large productive workforce. Nearly two-third of India's population is in the working age group from 15-64 years marked by financial independence, aspirations and access to growing disposable incomes.



**Fig.9: Age Structure of the Indian Population<sup>1</sup>**

*(Source: Report dated January 2014 of Dinodia Capital Advisors on "Indian Tourism and Hospitality Industry; Rising ahead of the Overcast")*

**Rising urbanisation:** India has the highest urban population rate of change among BRIC nations. The country's urban population accounted for 31.6 per cent of its total population in 2012. In 2010-15, the country's urban population is expected to grow 2.5 per cent above the 1.3 per cent growth in the total population. At this rate, it is estimated that around 843 million people will live in Indian cities by 2050, offering growing opportunities for its real estate and furniture sector.

**Rising consumer class:** By 2020, India is projected to emerge as the world's third largest middle-class consumer market behind China and the US. By 2030, India is likely to surpass both countries with an aggregate consumer spend of nearly US\$ 13 trillion. Rising middle-class incomes are driving consumer aspirations as people seek higher quality products and services (Source: [http://www.moneycontrol.com/news/business/indian-consumer-biz-to-be-worlds-largest-by-30-deloitte-833295.html?utm\\_source=ref\\_article](http://www.moneycontrol.com/news/business/indian-consumer-biz-to-be-worlds-largest-by-30-deloitte-833295.html?utm_source=ref_article))

**Rising nuclear families:** Some 56 per cent of urban Indian households comprise four or less members, a marked change from the position 10 years ago, when the urban median household size was between four and five members. With 49.7 per cent of all Indian households having four or less members, the median Indian household has just a fraction over four members. Nuclear families are the overwhelming norm in India, with 70 per cent of households comprising just one married couple. This increasing nuclearisation has triggered the need for quality housing (Source: <http://timesofindia.indiatimes.com/india/Median-household-size-drops-below-4-in-cities/articleshow/12397117.cms>)

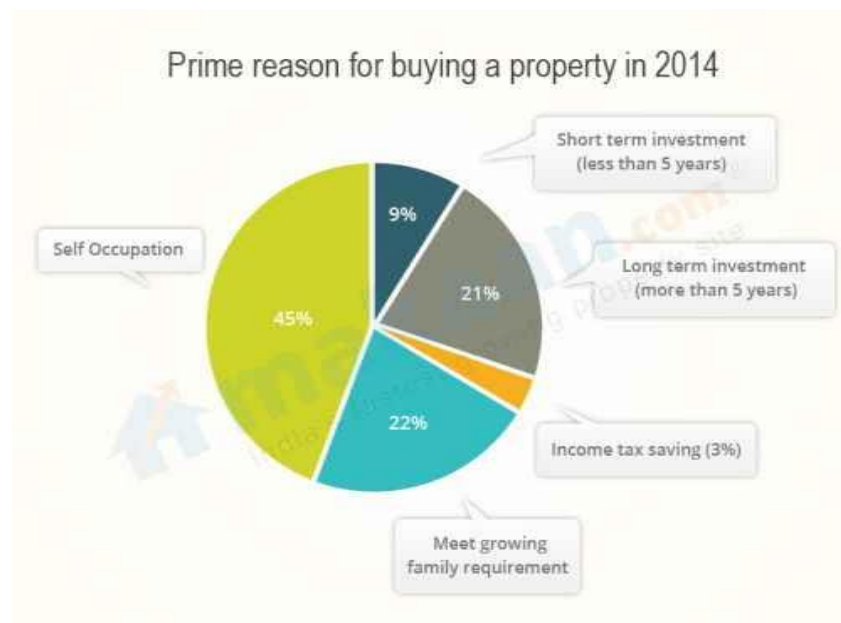
**Consumer Choices:** There is a major change in the consumer preference due to which there is a major shift from unbranded/unorganized sector to branded products. Being a major branded company in the segment we will be benefitted out of this change.

### Threats

- Competition from both unorganised and other organised players, leading to difficulties in improving market share
- Cheaper imports in certain product categories.

### Outlook

Rising population, growing aspirations and rapid urbanisation have strengthened the demand for residential property in India, registering a significant growth of more than 40 per cent by end-2014. (Source : [http://www.rncos.com/Press\\_Releases/Increasing-Nuclear-Families-Driving-Housing-Demand.htm](http://www.rncos.com/Press_Releases/Increasing-Nuclear-Families-Driving-Housing-Demand.htm))



(Source: <http://www.moneycontrol.com/news/real-estate/property-forecast-for-2014-makaancom-996387.html>)

**Hospitality sector:** Over 300 hotels are expected to be commissioned in India over the next three years, constituting about 17 per cent of Asia's hotel construction pipeline. India has the second largest number of hotels (292) under construction after China (592) (Source: *Indian Tourism and Hospitality Industry Report by Dinodia Capital Advisors, January 2014.*) By 2015, the Indian hospitality industry is estimated at Rs 230 billion, growing at a robust 12.2% CAGR. (Source: [http://www.researchandmarkets.com/reports/2017977/industry\\_insight\\_indian\\_hotels](http://www.researchandmarkets.com/reports/2017977/industry_insight_indian_hotels))

**Healthcare:** India's healthcare sector is expected to grow from US\$78.6 billion in 2012 to US\$158.2 billion in 2017. India's per capita healthcare expenditure has increased at a CAGR of 10.3 per cent from US\$43.1 in 2008 to US\$57.9 in 2011 and is expected to rise to US\$88.7 by 2015 with substantial demand for high-quality and speciality healthcare services in Tier-II and Tier-III cities. (Source: [http://articles.economictimes.indiatimes.com/2013-12-02/news/44657410\\_1\\_healthcare-sector-healthcare-delivery-fortis](http://articles.economictimes.indiatimes.com/2013-12-02/news/44657410_1_healthcare-sector-healthcare-delivery-fortis))

**Office space:** India's commercial office space has evolved significantly over the last decade driven largely by its service sector. Office space absorption is likely to rise 7 per cent in 2014 to 29 million square feet across India's seven major cities. Absorption was pegged at 27 million square feet in 2013 across seven major cities. The Indian economy is projected to grow faster in 2014, generating higher real estate demand. (Source: [http://articles.economictimes.indiatimes.com/2014-03-23/news/48491623\\_1\\_office-space-demand-dtz-office-rentals](http://articles.economictimes.indiatimes.com/2014-03-23/news/48491623_1_office-space-demand-dtz-office-rentals))

**Residential real estate:** The number of high-end residential launches grew 142 per cent during April-December, 2013 compared to the corresponding period of the previous year, catalysed by the incidence of high net worth individuals shifting from independent houses to apartments. (Source: <http://businessstoday.intoday.in/story/slowdown-developers-still-bet-on-high-end-residential-project/1/200399.html>)

**Retail space:** The supply of organised retail real estate, which was concentrated in Tier- I cities until a few years ago, extended to Tier-II and Tier-III cities. Within retail real estate, the total shopping mall stock is likely to reach 87.7 million sq ft by 2014, representing an addition of 11.7 million square feet, double of the previous fiscal across the seven prominent cities of the country. During 2013, these cities logged an estimated supply of around 5.2 million square feet, taking the total shopping mall stock to 76 million square feet. The average mall size of around 3,80,000 square feet (2014) is expected to increase to 6,60,000 square feet (2017). (Source: [http://articles.economictimes.indiatimes.com/2014-01-02/news/45799602\\_1\\_sq-ft-estimated-supply-tenant-mix](http://articles.economictimes.indiatimes.com/2014-01-02/news/45799602_1_sq-ft-estimated-supply-tenant-mix))

## **XV. BUSINESS OVERVIEW**

### **Decorative Business**

Our Company's current business is resultant of de-merger of the Decorative business of Greenply Industries Limited pursuant to the Composite Scheme of Arrangement. Post the said Scheme, our Company's business has been designed to be an interior infrastructure company engaged in the manufacture of laminates, decorative veneers and their allied products and are one of the largest in India in the segments in which we operate.

Our products and installed capacities are as follows:

| <b>Manufacturing Unit</b>  | <b>Product</b>              | <b>Installed Capacity</b> | <b>Our major brands</b>   |
|----------------------------|-----------------------------|---------------------------|---|
| Behror, Rajasthan          | Laminates                   | 5.34 million sheets       | Greenlam, Green touch, Green Gloss, Greenlam Supertuf, New Mika, Sturdo, Green Decowood, Clads, Mikasa, MFC |
|                            | Decorative veneers          | 4.20 million sqm          |   |
|                            | Engineered Wood Flooring    | 1.00 million sqm          |   |
|                            | Prelaminated Particle Board | 30,000 CBM                |   |
| Nalagarh, Himachal Pradesh | Laminates                   | 4.68 million sheets       |   |

We have been awarded with ISO 9001, ISO 14001 and OHSAS 18001 certifications for our manufacturing facilities at Behror and Nalagarh. We have also received Greenguard Certification for "Low Emitting Products and Materials" for our product Greenlam Laminates.

We have a pan-India presence and export our laminate products to various countries including the United States of America, Europe, Russia, United Kingdom, Israel, Middle East Countries, Singapore, Thailand, Malaysia, Taiwan, Hong Kong.

### **Competitive strengths**

We are a performance driven company with a strong focus on customer satisfaction.

We believe our competitive strengths are:

(a) ***Extensive distribution network***

Our distribution network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery. Our dealer base is supported by an efficient sub dealer and distribution network and sales team, leading the products to retail outlets and making our products available on the shelf across most places at all times thereby reducing dealer stock levels and increased annual sales per dealer.

(b) ***Strong brand recall***

The laminates industry is a fragmented and an unorganized industry. We believe we have pioneered and created a niche for ourselves in this industry by introducing various brands. We believe our brands Greenlam, New Mika and Green Decowood are synonymous with quality assurance in terms of strength and durability. We have been able to sustain the demand for our brands by offering a continuous flow of value additions such as new designs and finishes. We believe that our products enjoy easy recall and help us enhance our market share. Our brands give us a broader platform to market our products to our customers. Our “Dikhane Ka Jee Kare” campaign in FY 2007-08, “Zamane ko Sajana Hai” in 2012 and “Assembly Hall” in 2013 TVC have enabled us to gain a strong top of the mind recall with our customers.

(c) ***Proven and experienced management team***

Our Promoter has over 15 years of experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the interior infrastructure sector. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

(d) ***Cost efficient sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to time our procurement of raw materials and being a large player in the industry we are also able to source these materials at a competitive price. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs.

The key raw materials for the manufacture of our products are various types of papers and chemicals. Kraft paper required for laminate manufacture is primarily sourced from the neighboring states of Uttar Pradesh and Uttarakhand. Designs and major chemicals are imported through ports in Western India- the Behror unit at Rajasthan enjoys proximity to Western India which results in lower logistic costs.

Our manufacturing units are located in states we believe offers potential market for our products thus reducing the logistical costs associated with delivery. The strategic location of our units at Rajasthan and Himachal Pradesh also helps to market the product in the neighboring Delhi-NCR and North and West India.

(e) ***Our global sales and marketing network***

We have focused on growing our international reach and now have presence in more than 70 countries, directly or through three subsidiaries of the Company. We are enhancing our global presence by offering customer better product varieties and quality at economical prices. The Company has added several high value products such a compact laminate, exterior façade laminates, high gloss laminates in its basket to offer a complete bouquet of decorative products to its customers.

(f) ***Product Portfolio***

The Company has a wide range of products to cater to all the demand segments. Its products

range from economy category to latest and exclusive designs and finishes. We offer laminates in various dimensions and thicknesses in over 2,000 designs.

## **Our Business Strategy**

### ***Capacity expansion and manufacture of new products***

The Company has entered into the manufacture of engineered wood flooring, by investing a sum of Rs. 120 crores in 1 million square meter capacity. This product aims to be an import substitution since at present almost all of the demand in India for wood flooring is met with imports. We will leverage our existing distribution network to market this product across India. Global market for this product is very huge which is approximately 120 million square meters. The market in India for this product is around 2.5 million square meters and we are optimistic that it will grow at the rate of 25% annually. This product has a huge replacement potential. We are also engaged in the addition of pre-laminated particle boards to our portfolio to complement the marketing of high pressure laminates and enhancing our OEM presence.

The Company has approved the setting-up of an engineered door manufacturing unit at Behror, Rajasthan with an annual manufacturing capacity of 1,20,000 engineered door sets and door leafs with a capital cost of approximately Rs. 27 crores. Further, the Company has also approved expansion of the manufacturing capacity of laminates at its unit located in Nalagarh, Himachal Pradesh for manufacturing an additional 2 million laminate sheets per annum with a capital cost of approximately Rs. 20 crores for such expansion.

### ***To continue brand building and strengthening of the distributor network***

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands.

Since the industry is highly unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by opening new marketing offices or by way of appointment of new distributors, including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities.

### ***Product Innovation***

Our Company is continuously working towards innovating new products in the premium and economy category. We have launched Exterior Grade Laminates, Bacteria Resistant Laminates, High Gloss Laminates in the premium range.

### ***Newer Markets***

Our Company has presence in more than 70 countries of the world. We are planning to make our products available in more countries by expanding our network and reaching new countries. Newer products in our portfolio are helping us in this regard. In respect of the countries in which we are already present, we are expanding our network by going into more locations.



## Our products:

### Our product portfolio is comprised of:

#### *Laminates and allied products*

Laminates are used as surfacing materials for paneling, partitioning, furniture, table tops and work surfaces. Special purpose high pressure laminates includes cabinet liners, high-wear, fire-rated, electrostatic dissipative and chemical resistant laminates. Compact laminates are widely used in restroom cubicles, lockers, kitchen shutters and partitions. Another product in this category is pre-laminated particle board, which is used in office furniture, readymade furniture and in partitions.

#### *Decorative Veneers and allied products*

Decorative veneers are used as surfacing materials for high-end residential, office furniture and paneling. Engineered wood flooring is used as a high end surfacing and flooring solution.

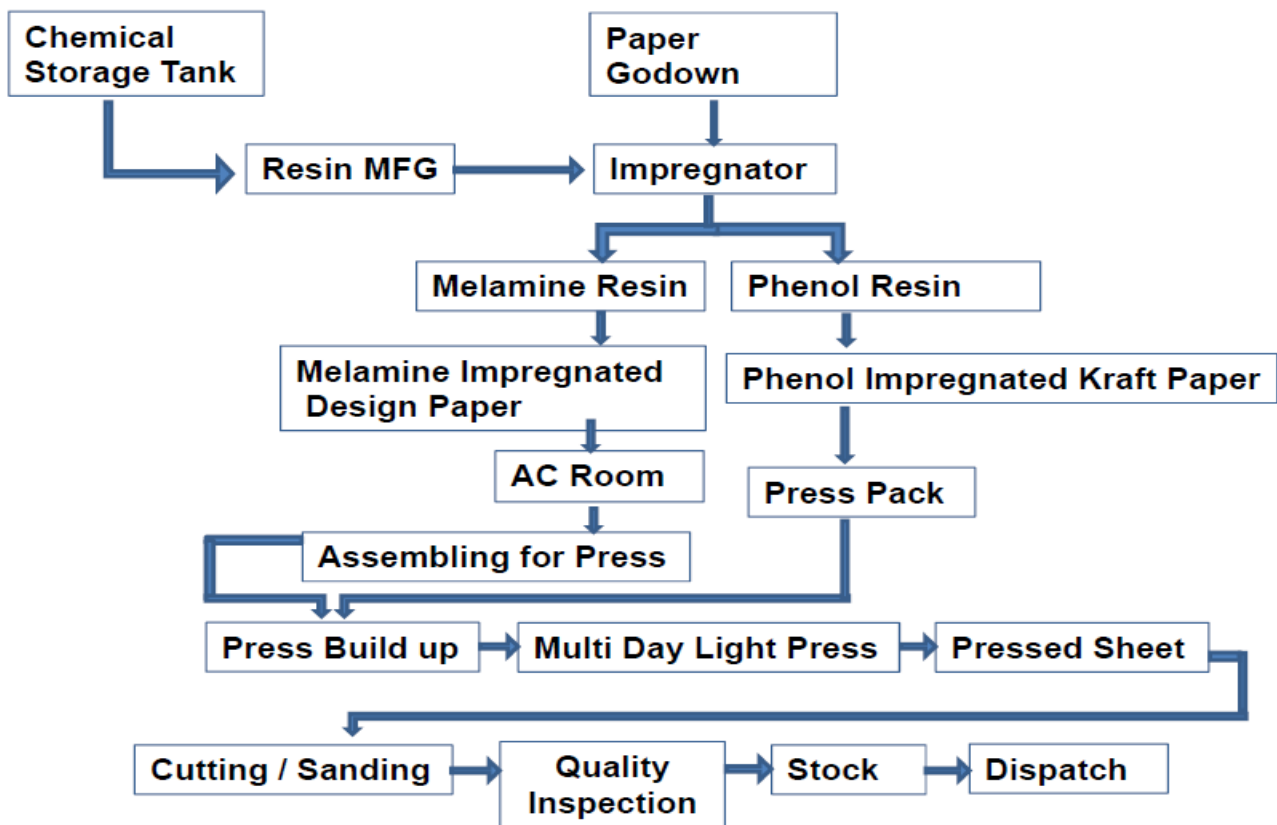
#### *Laminates and allied products*

##### *Raw Materials*

The principal raw material used in the manufacture of laminates comprises of kraft and decorative paper, phenol and melamine. Kraft paper is sourced domestically and we import high-end and premium decorative papers from Japan, Germany, France and other EU nations. The two principal chemicals required for the manufacture of laminates, phenol and melamine are sourced both from domestic as well as overseas markets depending upon the price and credit terms.

##### *Manufacturing Process*

#### High Pressure Decorative Laminate Production Process Flow Chart

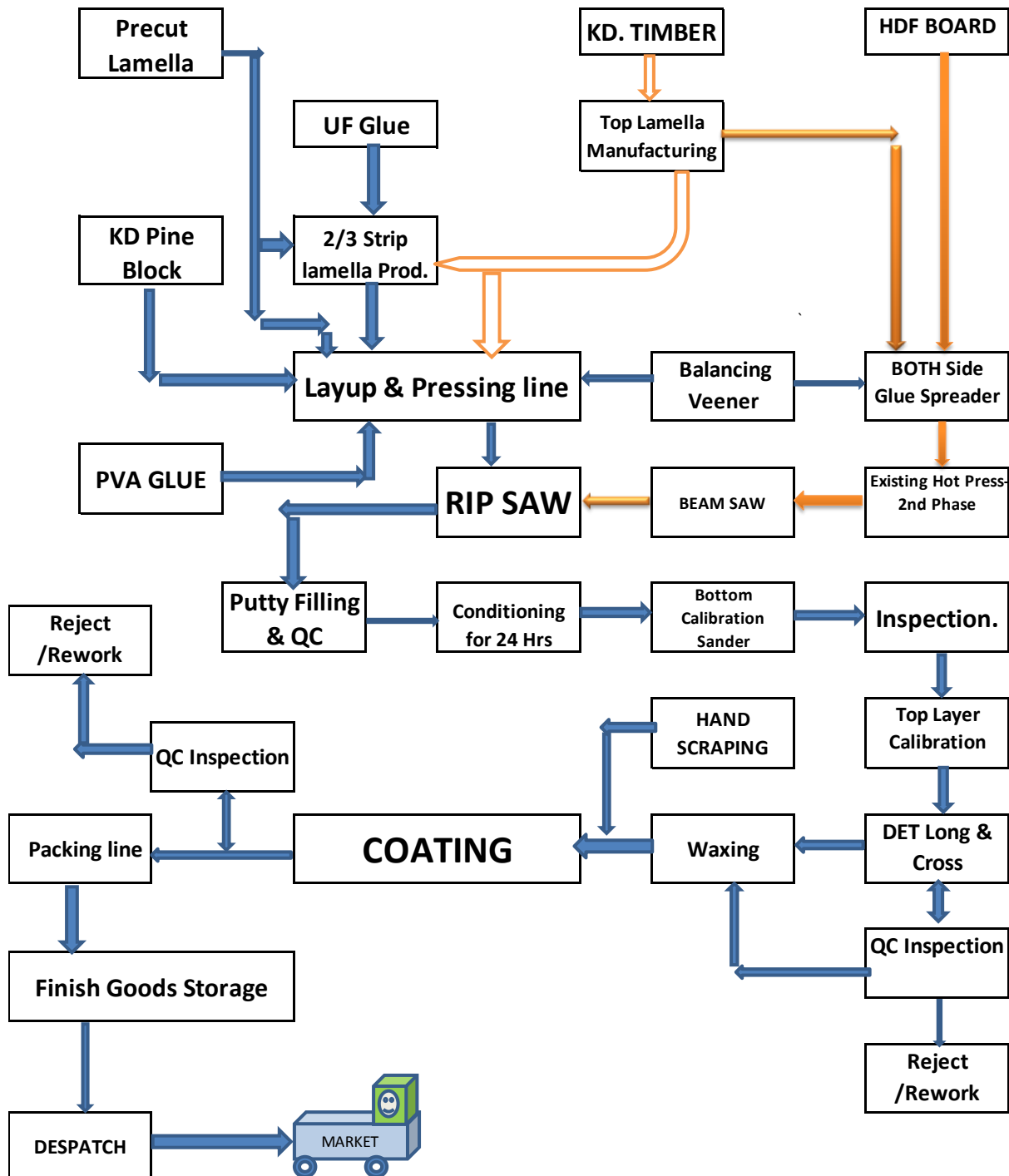


## Engineered Wood Flooring

### *Raw Materials*

The principle raw materials used in the manufacture of engineered wood flooring comprises of decorative veneers of various thicknesses, pine wood, high density fibre (HDF) boards and various chemicals used for bonding and polishing.

### *Manufacturing Process*



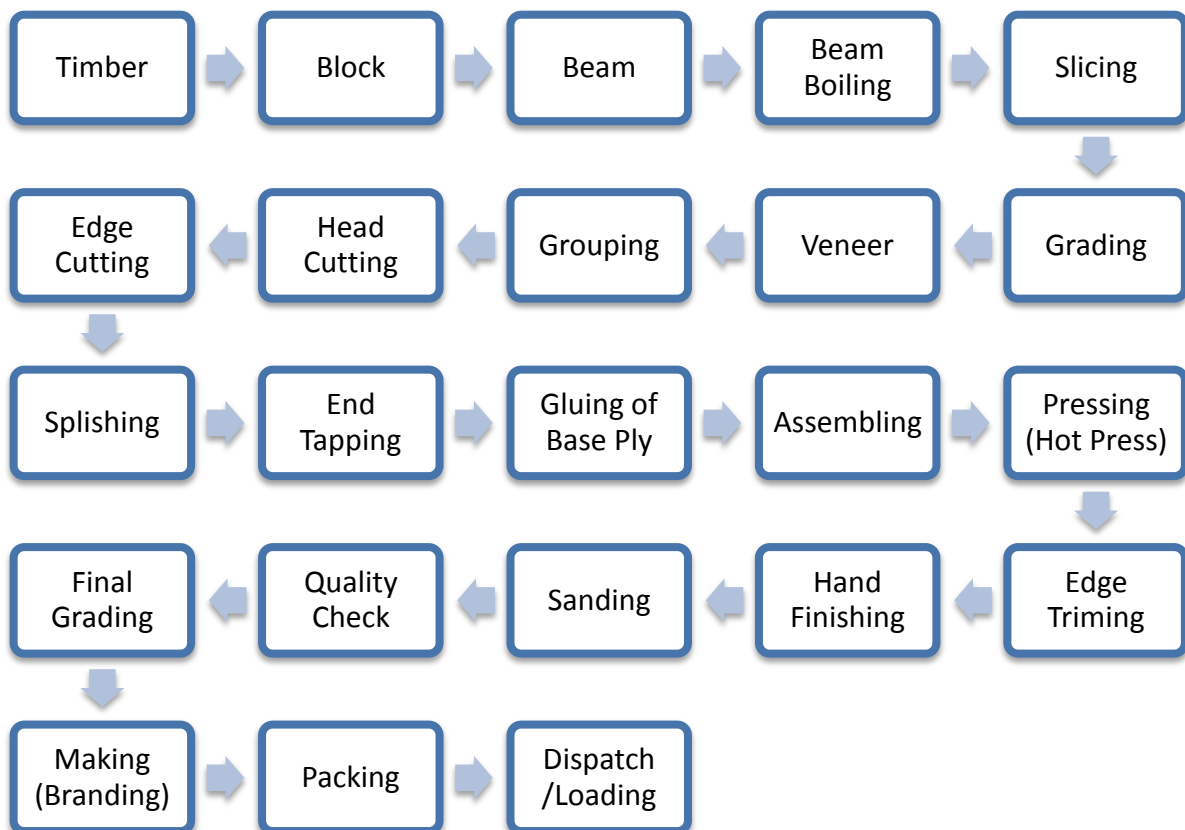
## Decorative Veneer

### *Raw Materials*

The raw materials required for the manufacture of decorative veneer are plywood, veneers and chemical resins.

The plywood used in the manufacture of decorative veneer is imported from Myanmar, while the veneers are imported from the Germany and Italy.

### *Manufacturing Process*



## **Marketing**

Our Company has always endeavored to create brand equity for all its stakeholders with its marketing and brand building initiatives. Responsible, focused and consistent efforts are continuously being made to strengthen our brand recall. Right communication strategy have been planned to ensure maximum exposure, through various channels including television, radio, print, outdoor, digital, direct mailers etc. The perfect mix of unique and innovative products and strategically creating its demand in the market has resulted in top of the mind recall of its flagship brands Greenlam, Newmika and Decowood.

## **Human Resource**

Our Company emulates best HR practices and standards. We have a 360 degree HR approach which includes training, progressive and performance driven remuneration, talent retention and nourishment, work-life balance programs. We believe in offering a plethora of experiences to our employees, who are ready to take up a challenge. In line with this tenet, we enable our employees to choose from these experiences a meaningful learning environment so as to make the most out of the time spent on each assignment. These experiences when supported by a powerful work life balance policy make the overall journey both consequential as well as pleasurable.

## **Internal control systems**

The Company has in place robust internal control procedures commensurate with its size and operations. The Board of Directors, insofar as it is responsible for the internal control system, sets the guidelines, verifying its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets and so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

## **Intellectual Property**

We have various trademarks, copyrights and patent.

## **Competition**

The laminates industry is highly fragmented. The unorganized sector offers its products at highly competitive prices. We also face stiff competition from the organized sector.

## XVI. OUR MANAGEMENT

The overall management is vested in the Board of Directors, comprised of qualified and experienced persons and the day-to-day business operations are managed by the managing director and the chief executive officer under the general superintendence and control of the Board of Directors.

### Board of Directors as on date of filing the Information Memorandum

| Name, Designation and Address   | Date of Appointment | Other Directorships   |
|---|---------------------|---|
| <b>Name:</b> Mr. Shiv Prakash Mittal<br><b>Designation:</b> Non-Executive Chairman<br><b>Address:</b> Flat No.2NW, 5 Queens Park, Kolkata-700 019<br><br><b>DIN:</b> 00237242             | 12 August 2013      | <ul style="list-style-type: none"> <li>• Greenply Industries Limited</li> <li>• Prime Holdings Private Limited</li> <li>• Greenlam VT Industries Private Limited</li> </ul>   |
| <b>Name:</b> Mr. Saurabh Mittal<br><b>Designation:</b> Managing Director and CEO<br><b>Address:</b> 66, Anadalok, Khel Gaon Road, New Delhi-110 049<br><br><b>DIN:</b> 00273917           | 12 August 2013      | <ul style="list-style-type: none"> <li>• Greenlam America Inc., USA</li> <li>• Greenlam Asia Pacific (Thailand) Co. Ltd.</li> <li>• Greenlam Asia Pacific Pte. Ltd., Singapore</li> <li>• Greenlam Europe (UK) Ltd. UK</li> <li>• Greenlam Holding Co. Ltd., Thailand</li> <li>• Greenlam VT Industries Pvt. Ltd.</li> <li>• Greenply Leasing &amp; Finance Pvt. Ltd.</li> <li>• Himalaya Granites Limited</li> <li>• Prime Properties Pvt. Ltd.</li> <li>• S. M. Safeinvest Pvt. Ltd.</li> </ul> |
| <b>Name:</b> Ms. Parul Mittal<br><b>Designation:</b> Director-Design and Marketing<br><b>Address:</b> 66, Anand Lok, Khel Gaon Road, New Delhi-110049<br><br><b>DIN:</b> 00348783         | 11 November 2014    | <ul style="list-style-type: none"> <li>• Greenply Leasing &amp; Finance Pvt. Ltd.</li> <li>• Prime Properties Pvt. Ltd.</li> <li>• S. M. Safeinvest Pvt. Ltd.</li> </ul>  |
| <b>Name:</b> Mr. Vijay Kumar Chopra<br><b>Designation:</b> Independent Director<br><b>Address:</b> 4-A, Harmony Tower, Dr. E Moses Road, Worli, Mumbai-400018<br><br><b>DIN:</b> 02103940 | 30 October 2014     | <ul style="list-style-type: none"> <li>• Bandhan Financial Services Private Ltd.</li> <li>• Dewan Housing Finance Corporation Ltd.</li> <li>• Future Retail Ltd.</li> <li>• Havells India Ltd.</li> <li>• India Infoline Finance Ltd.</li> <li>• Milestone Capital Advisors Ltd.</li> <li>• Pegasus Assets Reconstruction Private Ltd.</li> <li>• PNB Metlife India Insurance Company Ltd.</li> <li>• Reliance Capital Pension Fund</li> </ul>  |

| Name, Designation and Address  | Date of Appointment | Other Directorships  |
|--|---------------------|--|
|  |                     | Ltd.<br>• Religare Invesco Asset Management Company Private Ltd.<br>• Rolta India Ltd.   |
| <b>Name:</b> Ms. Urvashi Saxena<br><b>Designation:</b> Independent Director<br><b>Address:</b> 2602, Light Bridge, Hiranandani Meadows, Gladys Alwares Road, Thane (w)-400610.<br><br><b>DIN:</b> 02021303 | 30 October 2014     | • Elder Health Care Ltd.<br>• Gammon India Ltd.<br>• Kosi Bridge Infrastructure Company Ltd.<br>• Sharda Cropchem Ltd.<br>• Orbit Corporation Ltd. |
| <b>Name:</b> Ms. Sonali Bhagwati Dalal<br><b>Designation:</b> Independent Director<br><b>Address:</b> S-296, Greater Kailash-II, New Delhi-110048<br><br><b>DIN:</b> 01105028                              | 30 October 2014     | • Fade to Black Design and Media Pvt. Ltd.<br>• Greenply Industries Ltd.<br>• Spazzio Projects and Interiors Pvt. Ltd.                             |

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director or member of senior management.

#### Brief biography of our Directors

1. **Mr. Shiv Prakash Mittal**, holds a bachelor's degree in science from the University of Calcutta. He is one of the founders of Greenply Industries Limited. He was also associated with Kitply Industries Limited for 21 (twenty one) years. He has over thirty years of experience in the fields of production and marketing in plywood, laminates and allied products.
2. **Mr. Saurabh Mittal** is an alumni of Mayo College Ajmer and a Commerce graduate from the University of Madras. As JMD & CEO, he was the prime mover of the exponential growth of Greenply Industries Limited and for carving a niche for Greenlam Laminates and allied decorative products. His hands on engagement across the entire value chain to build the business from its infancy has garnered him nearly two decades of first-hand experience in various fields. He has been deeply involved with the manufacturing process and has progressively added production capacity that is best in the industry. He spearheaded the marketing initiatives personally building brand Greenlam that undisputedly commands the market. His sales experience is especially strong in the B2B segment as he built a distribution network that has provided incomparable market reach. His finance, investor relations and corporate affairs involvement resulted in Greenply becoming the industry pioneer to obtain PE funding and his export orientation has resulted in our Company consistently being the largest exported laminate from India. The charismatic leadership, personal drive and strategic thinking of Mr Saurabh Mittal has rallied our Company to attain market leadership in a very short period of time, both in the domestic and international markets.
3. **Ms. Parul Mittal** is a commerce graduate and possesses expert knowledge in the area of brand management. She was associated with Greenply Industries Limited for more than 5 years and engaged in various important functions of Greenply viz. to promote brand building at national and international level, to develop and execute marketing strategy, to build and maintain relationship with research organizations, advertising agencies and product

promotional houses. Her experience and guidance in the area of brand management is expected to continue to enhance our Company's image in the market significantly.

4. **Mr. Vijay Kumar Chopra** is a commerce graduate from Sri Ram College of Commerce, Delhi University and a fellow member of the Institute of Chartered Accountants of India. He has over 35 years of banking experience at senior level positions at Corporation Bank, SIDBI, Oriental Bank of Commerce and Central Bank of India. His last appointment has been as whole time member of the SEBI.
5. **Ms. Urvashi Saxena** is a Post Graduate from Allahabad University and earned her Law Degree from University of Lucknow. She has over 40 years of experience with the Income Tax Department. Her last public service appointment was as Chairperson of the Income Tax Settlement Commission after which she has taken up partnership in a Mumbai based Law firm.
6. **Ms. Sonali Bhagwati Dalal** graduated with top honours in Architecture from CEPT Ahmedabad, earning the prestigious L'Institute Francaise D'Architecture scholarship to work in Paris for a year. She has nearly 30 years of architectural and interior design experience wherein she earned numerous awards and accolades and is acknowledged as part of the top twenty architects of India. She is president of Designplus, an internationally recognised contemporary design firm.

#### **Relationship of the Directors**

| <b>Name of the Directors</b> | <b>Category of Directorship</b>           | <b>Relationship between Directors</b>                                    |
|------------------------------|---|--|
| Mr. Shiv Prakash Mittal      | Non - Executive Chairman                  | Mr. Saurabh Mittal (Son) and Ms. Parul Mittal (Daughter-in-law)          |
| Mr. Saurabh Mittal           | Managing Director & CEO-Promoter Director | Mr. Shiv Prakash Mittal (Father) and Ms. Parul Mittal (Wife)             |
| Ms. Parul Mittal             | Director-Design & Marketing               | Mr. Shiv Prakash Mittal (Father-in-law) and Mr. Saurabh Mittal (Husband) |
| Mr. Vijay Kumar Chopra       | Non-Executive - Independent Director      | None   |
| Ms. Urvashi Saxena           | Non-Executive - Independent Director      | None   |
| Ms. Sonali Bhagwati Dalal    | Non-Executive - Independent Director      | None   |

#### **Borrowing Powers of the Board**

Pursuant to the approval of the shareholders of the Company at the Extraordinary General Meeting held on 11 December 2013 the Board of Directors of our Company is authorised to borrow any sum of money to the extent of Rs. 1,000 Crores.

#### **Compensation to our Whole-Time Directors**

**Mr. Saurabh Mittal, Managing Director and CEO**

Mr. Saurabh Mittal is appointed as Managing Director & CEO of the Company for a period of 5 years with effect from 11 November 2014 as recommended by the Nomination and Remuneration Committee of the Board on the terms and conditions including remuneration as mentioned below.

**Salary & Perquisites:**

| S. No. | Particulars  |
|--------|--|
| 1.     | Basic Salary: Rs. 11,00,000/- per month w.e.f. November 11, 2014.  |
| 2.     | Commission: Not exceeding 2(two) percent of net profit in an accounting year of the Company subject to availability of profit.   |
| 3.     | House Rent Allowance of Rs. 3,00,000/- per month w.e.f. November 11, 2014.   |
| 4.     | Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.              |
| 5.     | Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.   |
| 6.     | Reimbursement of membership fees for a maximum of two clubs.   |
| 7.     | Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.   |
| 8.     | Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites. |
| 9.     | Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.  |

**Other Terms and Conditions:**

1. The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of Companies Act.
2. No sitting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.
3. His office shall be liable to determination by retirement of directors by rotation.
4. The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent.

**Ms. Parul Mittal, Director-Design and Marketing**

Ms. Parul Mittal is appointed as an Executive Director and designated as 'Director-Design & Marketing' of the Company for a period of 5 years with effect from 11 November 2014 as recommended by the Nomination and Remuneration Committee of the Board on the terms and conditions including remuneration as mentioned below.



**Salary & Perquisites:**

| S. No. | Particulars  |
|--------|--|
| 1.     | Basic Salary: Rs. 7,50,000/- per month w.e.f. 11 November 2014.  |
| 2.     | Commission: Not exceeding 1(one) percent of net profit in an accounting year of the Company subject to availability of profit.   |
| 3.     | Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges for herself and family subject to ceiling of one month salary in a year.              |
| 4.     | Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.   |
| 5.     | Reimbursement of membership fees for a maximum of two clubs.   |
| 6.     | Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.   |
| 7.     | Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites. |
| 8.     | Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.  |

**Other Terms and Conditions of the appointment of Ms. Parul Mittal**

1. The terms and conditions of appointment of Executive Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of Companies Act.
2. No sitting fees will be paid to the Executive Director for attending meeting of the Board of Directors or any committee thereof.
3. The appointment may be terminated by either party by giving three months' notice of such termination or salary in lieu thereof or by mutual consent. However, if Ms. Parul Mittal is not appointed as a Director at the ensuing Annual General Meeting (AGM), she will cease to be an Executive Director of the Company from the date of such AGM and in that case notice of termination shall not be given from either side.

**Date of Expiry of current term of Office of Directors**

- Mr. Saurabh Mittal has been appointed as Managing Director & CEO of the Company w.e.f. 11 November 2014 for a period of 5 years.
- Ms. Parul Mittal has been appointed as Director-Design and Marketing of the Company w.e.f. 11 November 2014 for a period of 5 years.
- Mr. Shiv Prakash Mittal shall be liable to retire by rotation.
- There are no benefits available to Directors upon termination of employment.

**Changes in the Board of Directors since incorporation of our Company**

| S. No. | Name of Director          | Appointment/Resignation | Date             |
|--------|---------------------------|-------------------------|------------------|
| 1.     | Mr. Vijay Kumar Chopra    | Appointment             | 30 October 2014  |
| 2.     | Ms. Urvashi Saxena        | Appointment             | 30 October 2014  |
| 3.     | Ms. Sonali Bhagwati Dalal | Appointment             | 30 October 2014  |
| 4.     | Mr. Rajesh Mittal         | Resignation             | 11 November 2014 |
| 5.     | Mr. Shobhan Mittal        | Resignation             | 11 November 2014 |
| 6.     | Ms. Parul Mittal          | Appointment             | 11 November 2014 |

**Shareholding of Directors**

| S. No. | Name of Director          | Number of Shares | Percentage of Shareholding (%) |
|--------|---------------------------|------------------|--------------------------------|
| 1.     | Mr. Shiv Prakash Mittal   | 5,06,000         | 2.10                           |
| 2.     | Mr. Saurabh Mittal        | 1,59,000         | 0.66                           |
| 3.     | Ms. Parul Mittal          | 400              | 0.00                           |
| 4.     | Mr. Vijay Kumar Chopra    | Nil              | Nil                            |
| 5.     | Ms. Urvashi Saxena        | Nil              | Nil                            |
| 6.     | Ms. Sonali Bhagwati Dalal | Nil              | Nil                            |

**Interest of Directors**

- All the Directors may be deemed to be interested only to the extent of fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of reimbursement of expenses payable to them under the Articles.
- Further, the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.
- Except as stated otherwise in this Information Memorandum, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Information Memorandum in which the Directors are directly or indirectly interested.

**Key Managerial Personnel**

As per the Composite Scheme of Arrangement, all the employees of Greenply engaged in the Demerged Undertaking on and from the Effective Date, shall from such date become the employees of Greenlam without any interruption of service as a result of the transfer of the Demerged Undertaking to Greenlam.

Accordingly the Key Managerial Personnel being transferred from Greenply are as follows:

- Mr. Ashok Kumar Sharma.
- Mr. Prakash Kumar Biswal.

The details of Key Managerial Personnel of Greenlam are as follows:

| S.No. | Name               | Residential Address                             | Designation               |
|-------|--------------------|---|---------------------------|
| 1.    | Mr. Saurabh Mittal | 66, Anadalok, Khel Gaon Road, New Delhi-110 049 | Managing Director and CEO |

|    |                          |   |  |
|----|--------------------------|---|--|
| 2. | Ms. Parul Mittal         | 66, Anand Lok, Khel Gaon Road, New Delhi-110049                             | Director - Design and Marketing                  |
| 3. | Mr. Ashok Kumar Sharma   | J-091, Windsor Park, Vaibhav Khand-V, Indirapuram, Ghaziabad - 201010, U.P. | Chief Financial Officer                          |
| 4. | Mr. Prakash Kumar Biswal | Flat No. 1A, 53, H. L. Sarkar Road, Regent Park, Kolkata – 700070           | Company Secretary & Asst. Vice President – Legal |

### **Status of Corporate Governance**

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to Corporate Governance will be applicable to the Company immediately upon the listing of its Equity Shares on BSE and NSE. However, the Company is compliant with the provisions of Clause 49 of the Listing Agreement and the details are as follows.

### **Board of Directors:**

The Board of Directors of the Company comprises of 6 (six) Directors, of which 3 (three) are Independent Directors, 1 (one) Non-Executive Director and 2 (two) Executive Directors.

| S. No. | Name of Director          | Category                             |
|--------|---------------------------|--------------------------------------|
| 1.     | Mr. Shiv Prakash Mittal   | Non - Executive Chairman             |
| 2.     | Mr. Saurabh Mittal        | Managing Director & CEO              |
| 3.     | Ms. Parul Mittal          | Director-Design & Marketing          |
| 4.     | Mr. Vijay Kumar Chopra    | Non-Executive - Independent Director |
| 5.     | Ms. Urvashi Saxena        | Non-Executive - Independent Director |
| 6.     | Ms. Sonali Bhagwati Dalal | Non-Executive - Independent Director |

### **Committees of the Board**

#### **(A) Audit Committee**

The Audit Committee was constituted by a meeting of the Board of Directors held on 11 November 2014. The Audit Committee consists of 4 (four) directors of the Company:

| S. No. | Name of Director          | Category                         |
|--------|---------------------------|----------------------------------|
| 1.     | Ms. Urvashi Saxena        | Chairman - Independent Director  |
| 2.     | Mr. Saurabh Mittal        | Member - Managing Director & CEO |
| 3.     | Mr. Vijay Kumar Chopra    | Member - Independent Director    |
| 4.     | Ms. Sonali Bhagwati Dalal | Member - Independent Director    |

The constitution and terms of reference of the Audit Committee conforms to the requirements of Clause 49 of the listing agreement and Section 177 of the Companies Act, 2013.

**Terms of Reference for the Audit Committee are as follows:**

### Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

- (i) To investigate any activity within its terms of reference.
- (ii) To seek information from any employee.
- (iii) To obtain outside legal or other professional advice.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee

The role of the Audit Committee shall include the following:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
- (iv) Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - (b) Changes, if any, in accounting policies and practices and reasons for the same
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of

funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time.

#### Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- (i) Management discussion and analysis of financial condition and results of operations;
- (ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- (iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (iv) Internal audit reports relating to internal control weaknesses; and
- (v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**(B) Nomination & Remuneration Committee**

The Nomination & Remuneration Committee was constituted by a meeting of the Board of Directors held on 11 November 2014. The Nomination & Remuneration Committee consists of 3 (three) directors of the Company:

The Nomination & Remuneration Committee consists of the following directors:

| <b>S. No.</b> | <b>Name of Director</b> | <b>Category</b>                 |
|---------------|-------------------------|---------------------------------|
| 1.            | Mr. Vijay Kumar Chopra  | Chairman – Independent Director |
| 2.            | Mr. Shiv Prakash Mittal | Member – Non-Executive Chairman |
| 3.            | Ms. Urvashi Saxena      | Member - Independent Director   |

**Terms of Reference for the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the Company from time to time, the following:

- (i) To formulate criteria for:
  - (a) determining qualifications, positive attributes and independence of a director;
  - (b) evaluation of independent directors and the Board
- (ii) To devise the following policies on:
  - (a) remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the board of the Company;
  - (b) board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.
- (iii) To identify persons who are qualified to:
  - (a) become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
  - (b) be appointed in senior management in accordance with the policies of the Company and recommend their appointment to the HR Department and to the Board.
- (iv) To carry out evaluation of the performance of every director of the Company;

- (v) To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.
- (vi) To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

**(C) Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted by a meeting of the Board of Directors held on 11 November 2014. The Stakeholders' Relationship Committee consists of 3 (three) directors of the Company:

The Stakeholders' Committee comprises of the following directors:

| S. No. | Name of the Director    | Category                          |
|--------|-------------------------|-----------------------------------|
| 1.     | Mr. Shiv Prakash Mittal | Chairman – Non-Executive Chairman |
| 2.     | Mr. Vijay Kumar Chopra  | Member – Independent Director     |
| 3.     | Mr. Saurabh Mittal      | Member – Managing Director & CEO  |

**Terms of Reference for the Stakeholders' Relationship Committee are as below:**

The Stakeholders Relationship Committee shall be responsible for the following:

- (i) To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
  - (a) Transfer of shares;
  - (b) Non-receipt of annual reports;
  - (c) Non-receipt of declared dividend;
  - (d) All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - (e) Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- (ii) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (iii) To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters.
- (iv) To review and approve requests of dematerialization and re-materialisation of securities of the Company and such other related matters;

- (v) Appointment and fixing of remuneration of RTA and overseeing their performance;
- (vi) Review the status of the litigation(s) filed by/against the security holders of the Company;
- (vii) Review the status of claims received for unclaimed shares;
- (viii) Recommending measures for overall improvement in the quality of investor services;
- (ix) Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992;
- (x) Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- (xi) Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Clause 49 of the Listing Agreements relating to Corporate Governance, as amended, from time to time.

**(D) Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee was constituted by a meeting of the Board of Directors held on 11 November 2014. The Corporate Social Responsibility Committee consists of 4 (four) directors of the Company:

The CSR's Committee comprises of the following directors:

| S. No. | Name of the Director      | Category                             |
|--------|---------------------------|--------------------------------------|
| 1.     | Mr. Shiv Prakash Mittal   | Member - Non-Executive Chairman      |
| 2.     | Mr. Saurabh Mittal        | Member - Managing Director & CEO     |
| 3.     | Ms. Parul Mittal          | Member - Director-Design & Marketing |
| 4.     | Ms. Sonali Bhagwati Dalal | Member – Independent Director        |

**Terms of Reference of the CSR Committee are as provided hereunder:**

- (i) To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
- (ii) To recommend the amount of expenditure to be incurred on the activities undertaken;
- (iii) To monitor the implementation of the framework of Corporate Social Responsibility Policy;
- (iv) To evaluate the social impact of the Company's CSR Activities;
- (v) To review the Company's disclosure of CSR matters;
- (vi) To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed.



- (vii) To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation including the listing agreement, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.”

**(E) Operational & Finance Committee**

The Operational & Finance Committee was constituted by a meeting of the Board of Directors held on 11 November 2014. The Operational & Finance Committee consists of 3 (three) directors of the Company:

| S. No. | Name of the Director    | Category                             |
|--------|-------------------------|--------------------------------------|
| 1.     | Mr. Shiv Prakash Mittal | Member - Non - Executive Chairman    |
| 2.     | Mr. Saurabh Mittal      | Member - Managing Director & CEO     |
| 3.     | Ms. Parul Mittal        | Member - Director-Design & Marketing |

**Terms of Reference of the Operational & Finance Committee are as follows:**

- (i) To avail loan up to the maximum limit of Rs. 50 Crores in a single transaction from any Bank/financial institutions/lenders and to hypothecate/mortgage the assets including immovable properties of the Company accordingly subject to its overall borrowing limit up to Rs.500 crores.
- (ii) To accept/approve the renewal of loan/credit facilities including interchangeability of loan/credit facilities sanctioned by the Bank/financial institutions/lenders and to hypothecate/mortgage the assets including immovable properties of the company accordingly from time to time subject to its overall borrowing limit up to Rs.500 crores.
- (iii) To approve all extension of charges in respect of immovable and movable properties of the Company in favour of bankers/financial institutions/lenders for the credit facilities sanctioned to the Company from time to time.
- (iv) To issue and allot Commercial Papers carrying maturity period of 15 days or more in compliance with the guidelines prescribed by the Reserve Bank of India (RBI) and Fixed Income Money Market and Derivatives Association of India (FIMMDA), with or without earmarking of Cash Credit limit or other working capital limit as may be imposed by the rating agency and to appoint Issuing and Paying Agent (IPA) and sign any agreement, deeds, declarations, undertakings etc. as may be required in this regard subject that the overall outstanding commercial papers shall not exceed Rs.100 crores.
- (v) To enter into derivative(s)/forward contracts for hedging business transactions with various banks/financial institutions/lenders from time to time as may be required in the ordinary course of business.
- (vi) To make loan and/or give Corporate Guarantee/letter of comfort up to Rs. 25 Crore in a single transaction up to overall maximum amount of Rs. 250 crores to such persons on such terms as may deem necessary to the Company.
- (vii) To Invest surplus funds of or funds not immediately required by the Company from time to time in any mutual fund scheme, debt instrument(s) of any government or

equity shares issued by a listed company or any other company up to an amount of Rs. 50 crore.

- (viii) To avail vehicles loan from any Bank/Institutions/Lenders for the business of the Company.
- (ix) To take vehicles on Lease basis from time to time for the business of the Company.
- (x) To open and close the Banking and dividend accounts of the Company.
- (xi) To change signatories and/or nomenclature of the Banking and dividend accounts whenever required.
- (xii) To authorize/empower any person to file suit on behalf of the Company or defend any suit filed against the Company.
- (xiii) To authorize/empower any person to apply for any license/certificate as may be required from time to time or any amendment, renewal or surrender thereof.
- (xiv) To give power/authorization/duties whenever required to a person on behalf of the Company in relation to business operations of the Company.
- (xv) To give power/authorization/duties whenever required to a person on behalf of the Company to execute and sign rent agreement/lease agreement/leave and licence agreement etc. in relation to business operations of the Company.
- (xvi) To authorize any director or employee of the Company or any other person to attend and vote, on behalf of the Company, at any meeting of shareholders or creditors including power to appoint proxy as well as to vote electronically or through postal ballot or any other mode allowed in this regard.
- (xvii) To affix or authorise fixation of the Common seal of the Company to any documents/papers to be executed by the Company.
- (xviii) To do all such acts, things or deeds as may be necessary or incidental to exercise of the above powers including delegation of any of its powers to any director or employee of the Company.
- (xix) To exercise any other power and authority as may be further delegated to it over and above the aforesaid powers and authorities.

For computing the single transaction limit of Rs. 50 crore or overall borrowing limit of Rs. 500 crore, the renewed credit facilities shall not be considered where the original or any subsequent sanction thereof was approved by the Board of Directors of the Company. However, in case of renewal-cum-enhancement of credit facilities, the enhanced component of the credit facilities shall be considered for the above limits.”

**(F) Demerger Committee**

The Demerger Committee was constituted by a meeting of the Board of Directors held on 29 November 2014. The Demerger Committee consists of 3 (three) directors of the Company:

| S. No. | Name of the Director | Category |
|--------|----------------------|----------|
|--------|----------------------|----------|

|    |                         |                                      |
|----|-------------------------|--------------------------------------|
| 1. | Mr. Shiv Prakash Mittal | Chairman - Non-Executive Chairman    |
| 2. | Mr. Saurabh Mittal      | Member - Managing Director & CEO     |
| 3. | Ms. Parul Mittal        | Member - Director-Design & Marketing |

**Terms of Reference of the Demerger Committee are as follows:**

- (i) To approve the Information Memorandum in respect of listing of equity shares of the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- (ii) to settle any question, difficulty or doubt that may arise in connection with giving effect to the composite Scheme of Arrangement, filing of Information Memorandum and other documents, agreements, declarations, application, certificates etc. in connection with listing of the equity shares of the Company with NSE and BSE and to do all such acts, deeds and things as the Demerger Committee may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt.

## XVII. PROMOTER AND GROUP COMPANIES

### Details of Promoter

Mr. Saurabh Mittal is the promoter of our Company.

|   |  |
|---|--|
|  | <b>Mr. Saurabh Mittal,</b><br><i>Managing Director &amp; CEO</i><br>Voters identity number – UJE0944181<br>Driving license number – DL-0320090084196 (P) |
|---|--|

For further details of our Promoter, please refer to the section titled “*Our Management*” and for details of any outstanding litigation by and against him, please refer to the sections titled “*Outstanding Litigations, Defaults and Material Developments*”

Following are the companies which are promoted by our Promoter which we have termed as ‘Group Companies’ for the purpose of this Information Memorandum.

### Details of Group Companies

#### **Companies forming part of the Group**

Unless otherwise stated none of the companies forming part of the Group Companies is a sick company under the meaning of SICA and none of them are under winding up or had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of this Information Memorandum.

#### **1. Name of Group Company: Himalaya Granites Limited**

**Date of incorporation: 11 December 1987**

**Principal business:** Export oriented granite processing unit (presently not in operation)

#### **Capital Structure of the Himalaya Granites Limited:**

| Particulars                            | Amount in Rs. |
|--|---------------|
| <b>Authorised Capital</b>              |               |
| 40,00,000 Equity Shares of Rs. 10 each | 4,00,00,000   |
| <b>Total</b>                           | 4,00,00,000   |
| <b>Issued, Subscribed and Paid-Up</b>  |               |
| 30,05,000 Equity Shares of Rs. 10 each | 3,00,50,000   |
| <b>Total</b>                           | 3,00,50,000   |

**Shareholding Pattern of the Himalaya Granites Limited as on 30 September 2014:**

| Category of Shareholder  | No. of Shareholders | Total No. of Shares | Total No. of Shares held in Dematerialized Form | Total Shareholding as a % of Total No. of Shares |                   |
|--|---------------------|---------------------|---|--|-------------------|
|  |                     |                     |   | As a % of (A+B)                                  | As a % of (A+B+C) |
| <b>(A) Shareholding of Promoter and Promoter Group</b>                               |                     |                     |   |  |                   |
| <b>(1) Indian</b>  |                     |                     |   |  |                   |
| Individuals/Hindu Undivided Family   | 10                  | 11,22,250           | 11,22,250                                       | 37.35  | 37.35             |
| Bodies Corporate   | 3                   | 5,94,800            | 5,94,800  | 19.79  | 19.79             |
| <b>Sub Total</b>   | <b>13</b>           | <b>17,17,050</b>    | <b>17,17,050</b>                                | <b>57.14</b>                                     | <b>57.14</b>      |
| <b>(2) Foreign</b>   |                     |                     |   |  |                   |
| <b>Total Shareholding of Promoter and Promoter Group (A)</b>                         | <b>13</b>           | <b>17,17,050</b>    | <b>17,17,050</b>                                | <b>57.14</b>                                     | <b>57.14</b>      |
| <b>(B) Public Shareholding</b>   |                     |                     |   |  |                   |
| <b>(1) Institutions</b>  |                     |                     |   |  |                   |
| Financial Institutions / Banks   | 1                   | 100                 | 0   | 0.00   | 0.00              |
| <b>Sub Total</b>   | <b>1</b>            | <b>100</b>          | <b>0</b>  | <b>0.00</b>                                      | <b>0.00</b>       |
| <b>(2) Non-Institutions</b>  |                     |                     |   |  |                   |
| Bodies Corporate   | 35                  | 2,44,254            | 2,40,354  | 8.13   | 8.13              |
| <b>Individuals</b>   |                     |                     |   |  |                   |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh               | 1,200               | 2,55,880            | 1,73,444  | 8.52   | 8.52              |
| Individual shareholders holding nominal share capital in excess of Rs. 1 lakh        | 8                   | 7,86,915            | 7,86,915  | 26.19  | 26.19             |
| <b>Any Others (Specify)</b>  | <b>3</b>            | <b>801</b>          | <b>801</b>                                      | <b>0.03</b>                                      | <b>0.03</b>       |
| Non Residential Indian   | 3                   | 801                 | 801   | 0.03   | 0.03              |
| <b>Sub Total</b>   | <b>1,246</b>        | <b>12,87,850</b>    | <b>12,01,514</b>                                | <b>42.86</b>                                     | <b>42.86</b>      |
| <b>Total Public Shareholding (B)</b>   | <b>1,247</b>        | <b>12,87,950</b>    | <b>12,01,514</b>                                | <b>42.86</b>                                     | <b>42.86</b>      |
| <b>Total (A)+(B)</b>   | <b>1,260</b>        | <b>30,05,000</b>    | <b>29,18,564</b>                                | <b>100.00</b>                                    | <b>100.00</b>     |
| <b>(C) Shares held by Custodians and against which Depository Receipts have been</b> | <b>0</b>            | <b>0</b>            | <b>0</b>  | <b>0.00</b>                                      | <b>0.00</b>       |

| Category of Shareholder         | No. of Shareholders | Total No. of Shares | Total No. of Shares held in Dematerialized Form | Total Shareholding as a % of Total No. of Shares |        |
|---------------------------------|---------------------|---------------------|---|--|--------|
| issued                          |                     |                     |   |  |        |
| (1) Promoter and Promoter Group | 0                   | 0                   | 0   | 0.00   | 0.00   |
| (2) Public                      | 0                   | 0                   | 0   | 0.00   | 0.00   |
| Sub Total                       | 0                   | 0                   | 0   | 0.00   | 0.00   |
| Total (A)+(B)+(C)               | 1,260               | 30,05,000           | 29,18,564                                       | 0.00   | 100.00 |

**List of persons/entities comprising as Promoter/PG of the Company**

| S. No.       | Name of Promoter   | Number of Equity Shares | Percentage of paid up capital |
|--------------|--|-------------------------|-------------------------------|
| 1            | Shiv Prakash Mittal  | 12,500                  | 0.42                          |
| 2            | Shiv Prakash Mittal on behalf of Shiv Prakash Mittal HUF     | 1,09,250                | 3.64                          |
| 3            | Rajesh Mittal  | 6,21,250                | 20.67                         |
| 4            | Karuna Mittal  | 1,250                   | 0.04                          |
| 5            | Saurabh Mittal   | 10,000                  | 0.33                          |
| 6            | Parul Mittal   | 600                     | 0.02                          |
| 7            | Shobhan Mittal   | 27,500                  | 0.92                          |
| 8            | Surbhi Mittal  | 27,500                  | 0.92                          |
| 9            | Saurabh Mittal On Behalf of Trade Combines, Partnership Firm | 1,83,700                | 6.11                          |
| 10           | Shobhan Mittal On Behalf Of Trade Combines, Partnership Firm | 1,28,700                | 4.28                          |
| 11           | Greenply Industries Ltd                                      | 3,80,583                | 12.66                         |
| 12           | S. M. Management Pvt Ltd                                     | 2,14,117                | 7.13                          |
| 13           | Greenply Leasing & Finance Pvt. Ltd                          | 100                     | 0.00                          |
| <b>TOTAL</b> |  | <b>17,17,050</b>        | <b>57.14</b>                  |

**Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Public and holding more than 1% of the total number of shares**

| S. No. | Name of Shareholder      | Number of Equity Shares | Percentage of paid up capital |
|--------|--------------------------|-------------------------|-------------------------------|
| 1.     | Anirudha Bubna Trust     | 3,98,091                | 13.25                         |
| 2.     | Suryalata Trexim Pvt Ltd | 1,19,465                | 3.98                          |
| 3.     | Manju Bhalotia Manju     | 1,27,328                | 4.24                          |
| 4.     | Sanjeev Krishna Bhalotia | 72,353                  | 2.41                          |
| 5.     | Sangeetha S              | 52,000                  | 1.73                          |
| 6.     | Sarvesh Bubna Trust      | 50,202                  | 1.67                          |

| S. No.       | Name of Shareholder      | Number of Equity Shares | Percentage of paid up capital |
|--------------|--------------------------|-------------------------|-------------------------------|
|              |                          |                         |                               |
| 7.           | JVL Agro Industries Ltd. | 51,592                  | 1.72                          |
| 8.           | Seetha Kumari            | 37,849                  | 1.26                          |
| 9.           | S Sathya                 | 33,990                  | 1.13                          |
| <b>TOTAL</b> |                          | <b>9,42,870</b>         | <b>31.38</b>                  |

**Shareholding of securities (including shares, warrants, convertible securities) of persons belonging to the category Public and holding more than 5% of the total number of shares**

| S. No.       | Name of Shareholder  | Number of Equity Shares | Percentage of paid up capital |
|--------------|----------------------|-------------------------|-------------------------------|
| 1.           | Anirudha Bubna Trust | 3,98,091                | 13.25                         |
| <b>TOTAL</b> |                      | <b>3,98,091</b>         | <b>13.25</b>                  |

#### **Interest of the Promoter:**

Mr. Saurabh Mittal holds 10,000 equity shares representing to 0.33 % of the total issued and paid up share capital of the company.

#### **Board of Directors**

- Mr. Saurabh Mittal, Non-Executive Chairman
- Mr. Ramesh Kumar Haritwal, Managing Director & CEO
- Mr. Beni Gopal Saraf
- Mr. Mahesh Kumar Malpani
- Mr. Pradip Manharlal Domadia

#### **Financial Performance of Himalaya Granites Limited:**

**Rs.**

| Particulars  | For the year ending 31.03.2012 | For the year ending 31.03.2013 | For the year ending 31.03.2014 |
|--|--------------------------------|--------------------------------|--------------------------------|
| <b>Number of Shares</b>  | 30,05,000                      | 30,05,000                      | 30,05,000                      |
| <b>Equity capital</b>  | 3,00,50,000                    | 3,00,50,000                    | 3,00,50,000                    |
| <b>Reserves &amp; Surplus (excluding revaluation reserves)</b> | 6,45,91,367                    | 6,80,33,334                    | 6,81,06,867                    |
| <b>Net worth</b>   | 9,46,41,367                    | 9,80,83,334                    | 9,81,56,867                    |
| <b>Turnover/ sales</b>   | 3,15,429                       | 2,51,550                       | 1,47,400                       |
| <b>Other Income</b>  | 56,92,134                      | 1,19,15,436                    | 77,80,355                      |
| <b>Profit after tax</b>  | (19,21,968)                    | 34,41,967                      | 73,533                         |
| <b>EPS (Rs.)</b>   | (0.64)                         | 1.15                           | 0.02                           |
| <b>Book Value per share (Rs.)</b>                              | 31.49                          | 32.64                          | 32.66                          |

**Share price data for last six months**

| Month           | BSE       |          |
|-----------------|-----------|----------|
|                 | High(Rs.) | Low(Rs.) |
| March, 2014     | 34.50     | 34.50    |
| April, 2014     | 37.00     | 36.20    |
| May, 2014       | 35.15     | 35.15    |
| June, 2014      | 33.60     | 28.90    |
| July, 2014      | 30.45     | 28.80    |
| August, 2014    | 30.50     | 30.20    |
| September, 2014 | 30.20     | 21.30    |
| October, 2014   | 21.25     | 16.35    |

High and low prices are based on intraday trading prices. Source: [www.bseindia.com](http://www.bseindia.com)

**Particulars of high, low and average prices of the shares during the preceding three years**

| BSE         |            |              |           |             |                    |
|-------------|------------|--------------|-----------|-------------|--------------------|
| Fiscal Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low | Average Price(Rs.) |
| 2011-12     | 20.70      | 20/02/2012   | 12.51     | 20/09/2011  | 16.61              |
| 2012-13     | 40.50      | 25/06/2012   | 18.00     | 25/04/2012  | 29.25              |
| 2013-14     | 36.75      | 11/11/2013   | 34.50     | 14/02/2014  | 35.63              |

High and low prices are based on intraday trading prices. Source: [www.bseindia.com](http://www.bseindia.com).  
Average price is calculated as the average of the High and low prices for the respective year as mentioned above.

**2. Name of Group Company: Greenply Leasing & Finance Private Limited**

**Date of incorporation: 1 November 1994**

**Principal business:** Non-deposit taking non-banking finance company carrying on the business of investment in securities.

**Capital Structure of the Company:**

| Particulars                            | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>              |                    |
| 50,00,000 Equity Shares of Rs. 10 each | 5,00,00,000        |
| <b>Total</b>                           | <b>5,00,00,000</b> |
| <b>Issued, Subscribed and Paid-Up</b>  |                    |
| 38,19,000 Equity Shares of Rs. 10 each | 3,81,90,000        |
| <b>Total</b>                           | <b>3,81,90,000</b> |

**Shareholding Pattern of the Company:**

| Category                             | Number of shares | Percentage of total share capital |
|--------------------------------------|------------------|-----------------------------------|
| <b>Promoter &amp; Promoter Group</b> | 38,19,000        | 100                               |
| <b>Non-Promoter</b>                  | Nil              | N. A.                             |



|              |           |     |
|--------------|-----------|-----|
| <b>Total</b> | 38,19,000 | 100 |
|--------------|-----------|-----|

#### Interest of the Promoter:

Mr. Saurabh Mittal holds 811,600 equity shares representing to 21.25 % of the total issued and paid up share capital of the company.

#### Financial Performance:

**Rs.**

| Particulars  | For the year ending 31.03.2012 | For the year ending 31.03.2013 | For the year ending 31.03.2014 |
|--|--------------------------------|--------------------------------|--------------------------------|
| <b>Number of Shares</b>  | 36,19,000                      | 36,19,000                      | 38,19,000                      |
| <b>Equity capital</b>  | 3,61,90,000                    | 3,61,90,000                    | 3,81,90,000                    |
| <b>Reserves &amp; Surplus (excluding revaluation reserves)</b> | 20,91,58,208                   | 22,16,68,520                   | 24,40,63,392                   |
| <b>Net worth</b>   | 24,53,48,208                   | 25,78,58,520                   | 28,20,78,532                   |
| <b>Turnover/ sales</b>   | 0                              | 6,54,181                       | 78,805                         |
| <b>Other Income</b>  | 37,25,974                      | 1,35,35,894                    | 97,53,257                      |
| <b>Profit after tax</b>  | 33,82,980                      | 1,25,10,312                    | 93,94,872                      |
| <b>EPS (Rs.)</b>   | 0.94                           | 3.46                           | 2.60                           |
| <b>Book Value per share (Rs.)</b>                              | 67.79                          | 71.25                          | 73.86                          |

### 3. Name of Group Company: Prime Properties Private Limited

**Date of incorporation:** 30 July 1997

**Principal business:** Renting of immovable properties.

#### Capital Structure of the Company:

| Particulars                                   | Amount in Rs.      |
|---|--------------------|
| <b>Authorised Capital</b>                     |                    |
| <b>25,00,000 Equity Shares of Rs. 10 each</b> | <b>2,50,00,000</b> |
| <b>Total</b>                                  | <b>2,50,00,000</b> |
| <b>Issued, Subscribed and Paid-Up</b>         |                    |
| <b>19,20,000 Equity Shares of Rs. 10 each</b> | <b>1,92,00,000</b> |
| <b>Total</b>                                  | <b>1,92,00,000</b> |

#### Shareholding Pattern of the Company:

| Category                  | Number of shares | Percentage of total share capital |
|---------------------------|------------------|-----------------------------------|
| Promoter & Promoter Group | <b>19,20,000</b> | <b>100</b>                        |
| Non-Promoter              | <b>Nil</b>       | <b>N. A.</b>                      |
| <b>Total</b>              | <b>19,20,000</b> | <b>100</b>                        |

**Interest of the Promoter:**

Mr. Saurabh Mittal holds 254,000 equity shares representing to 13.23 % of the total issued and paid up share capital of the company.

**Financial Performance:****Rs.**

| Particulars   | For the year ending<br>31.03.2012 | For the year ending<br>31.03.2013 | For the year ending<br>31.03.2014 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Number of Shares                                    | 19,20,000                         | 19,20,000                         | 19,20,000                         |
| Equity capital                                      | 1,92,00,000                       | 1,92,00,000                       | 1,92,00,000                       |
| Reserves & Surplus (excluding revaluation reserves) | 12,36,838                         | -23,78,713                        | 29,55,654                         |
| Net worth   | 2,04,36,838                       | 1,68,21,287                       | 2,21,55,654                       |
| Turnover/ sales                                     | 0                                 | 0                                 | 0                                 |
| Other Income  | 86,85,319                         | 30,00,000                         | 30,00,300                         |
| Profit after tax                                    | 15,98,851                         | (36,15,551)                       | (23,58,571)                       |
| EPS (Rs.)   | 0.83                              | (1.88)                            | (1.23)                            |
| Book Value per share (Rs.)                          | 10.64                             | 8.76                              | 11.54                             |

**4. Name of Group Company: S. M. Safeinvest Private Limited**

**Date of incorporation: 10 July 2013**

**Principal business:** Investment in securities.

**Capital Structure of the Company:**

| Particulars                           | Amount in Rs. |
|---------------------------------------|---------------|
| Authorised Capital                    |               |
| 2,50,000 Equity Shares of Rs. 10 each | 25,00,000     |
| Total                                 | 25,00,000     |
| Issued, Subscribed and Paid-Up        |               |
| 10,000 Equity Shares of Rs. 10 each   | 1,00,000      |
| Total                                 | 1,00,000      |

**Shareholding Pattern of the Company:**

| Category                  | Number of shares | Percentage of total share capital |
|---------------------------|------------------|-----------------------------------|
| Promoter & Promoter Group | 10,000           | 100                               |
| Non-Promoter              | Nil              | N. A.                             |
| Total                     | 10,000           | 100                               |

**Interest of the Promoter:**

Mr. Saurabh Mittal holds 5,000 equity shares representing to 50.00 % of the total issued and paid up share capital of the company.

**Financial Performance:****Rs.**

| Particulars   | For the year ending 31.03.2012 | For the year ending 31.03.2013 | For the year ending 31.03.2014 |
|---|--------------------------------|--------------------------------|--------------------------------|
| Number of Shares                                    | N.A.                           | N.A.                           | 10,000                         |
| Equity capital                                      | N.A.                           | N.A.                           | 1,00,000                       |
| Reserves & Surplus (excluding revaluation reserves) | N.A.                           | N.A.                           | -19,508                        |
| Net worth   | N.A.                           | N.A.                           | 26,858                         |
| Turnover/ sales                                     | N.A.                           | N.A.                           | 0                              |
| Other Income  | N.A.                           | N.A.                           | 0                              |
| Profit after tax                                    | N.A.                           | N.A.                           | -19,508                        |
| EPS (Rs.)   | N.A.                           | N.A.                           | -1.95                          |
| Book Value per share (Rs.)                          | N.A.                           | N.A.                           | 2.69                           |

**5. Name of Group Company: Greenlam VT Industries Private Limited**

**Date of incorporation: 23 August 2013**

**Principal business:** To deal in Doors & High-End Doors.

**Capital Structure of the Company:**

| Particulars                           | Amount in Rs. |
|---------------------------------------|---------------|
| <b>Authorised Capital</b>             |               |
| 1,00,000 Equity Shares of Rs. 10 each | 10,00,000     |
| <b>Total</b>                          | 10,00,000     |
| <b>Issued, Subscribed and Paid-Up</b> |               |
| 10,000 Equity Shares of Rs. 10 each   | 1,00,000      |
| <b>Total</b>                          | 1,00,000      |

**Shareholding Pattern of the Company:**

| Category                             | Number of shares | Percentage of total share capital |
|--------------------------------------|------------------|-----------------------------------|
| <b>Promoter &amp; Promoter Group</b> | 10,000           | 100                               |
| <b>Non-Promoter</b>                  | Nil              | N. A.                             |
| <b>Total</b>                         | 10,000           | 100                               |

**Interest of the Promoter:**

Mr. Saurabh Mittal holds 1\* equity share representing to 0.01 % of the total issued and paid up share capital of the company.

\* Registered member in the Register of Members of Greenlam VT Industries Pvt. Ltd. and the share are beneficially owned by Greenply Industries Limited.

**Financial Performance:**

**Rs.**

| Particulars   | For the year ending 31.03.2012 | For the year ending 31.03.2013 | For the year ending 31.03.2014 |
|---|--------------------------------|--------------------------------|--------------------------------|
| Number of Shares                                    | N.A.                           | N.A.                           | 10,000                         |
| Equity capital                                      | N.A.                           | N.A.                           | 1,00,000                       |
| Reserves & Surplus (excluding revaluation reserves) | N.A.                           | N.A.                           | -27,184                        |
| Net worth   | N.A.                           | N.A.                           | 39,482                         |
| Turnover/ sales                                     | N.A.                           | N.A.                           | 0                              |
| Other Income  | N.A.                           | N.A.                           | 0                              |
| Profit after tax                                    | N.A.                           | N.A.                           | -27,184                        |
| EPS (Rs.)   | N.A.                           | N.A.                           | -0.27                          |
| Book Value per share (Rs.)                          | N.A.                           | N.A.                           | 3.95                           |

**6. Name of Group Company: Jayjay Agencies Private Limited**

**Date of incorporation: 26 March 2010**

**Principal business:** To deal in agricultural produces and investment in securities.

**Capital Structure of the Company:**

| Particulars                            | Amount in Rs.      |
|--|--------------------|
| <b>Authorised Capital</b>              |                    |
| 2,00,000 Equity Shares of Rs. 100 each | 2,00,00,000        |
| <b>Total</b>                           | <b>2,00,00,000</b> |
| <b>Issued, Subscribed and Paid-Up</b>  |                    |
| 1,95,000 Equity Shares of Rs. 100 each | 1,95,00,000        |
| <b>Total</b>                           | <b>1,95,00,000</b> |

**Shareholding Pattern of the Company:**

| Category                             | Number of shares | Percentage of total share capital |
|--------------------------------------|------------------|-----------------------------------|
| <b>Promoter &amp; Promoter Group</b> | 1,95,000         | 100                               |
| <b>Non-Promoter</b>                  | Nil              | N. A.                             |
| <b>Total</b>                         | 1,95,000         | 100                               |

**Interest of our Promoter**

Mr. Saurabh Mittal holds 40,000 equity shares representing to 20.51 % of the total issued and paid up share capital of the company.

**Financial Performance:**

**Rs.**

| Particulars      | For the year ending 31.03.2012 | For the year ending 31.03.2013 | For the year ending 31.03.2014 |
|------------------|--------------------------------|--------------------------------|--------------------------------|
| Number of Shares | 1,95,000                       | 1,95,000                       | 1,95,000                       |
| Equity capital   | 1,95,00,000                    | 1,95,00,000                    | 1,95,00,000                    |

|  |             |             |             |
|--|-------------|-------------|-------------|
| <b>Reserves &amp; Surplus<br/>(excluding revaluation<br/>reserves)</b> | -2,13,155   | -2,84,132   | -3,54,678   |
| <b>Net worth</b>   | 1,91,95,225 | 1,91,70,058 | 1,91,45,322 |
| <b>Turnover/ sales</b>   | 0           | 0           | 0           |
| <b>Other Income</b>  | 0           | 0           | 0           |
| <b>Profit after tax</b>  | -72,488     | -70,977     | -70,546     |
| <b>EPS (Rs.)</b>   | -0.37       | -0.36       | -0.36       |
| <b>Book Value per share (Rs.)</b>                                      | 98.44       | 98.31       | 98.18       |

#### **Other entities forming part of the Promoter Group:**

##### **Saurabh Mittal (HUF)**

Saurabh Mittal (HUF) was formed on 23 February 2006. The karta is Mr. Saurabh Mittal.

Members of HUF are as follows:

- Ms. Parul Mittal;
- Mr. Jai Mittal;
- Ms. Jia Mittal.

#### **Companies with which our Promoter have disassociated in the last three years**

Mr. Saurabh Mittal has resigned from the board of Greenply Industries Limited with effect from 11 November 2014.

#### **Common Pursuits**

There are no common pursuits amongst any of the Group Companies and our Company.

#### **Related business transactions**

For details refer to chapter titled “*Financial Statements*”

#### **Details of Sales or purchase between group companies/subsidiaries/ associate companies**

As on 30 September 2014, there are no sales or purchase between group companies/subsidiaries/ associate companies when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Company.

## **XVIII. DIVIDEND AND DIVIDEND POLICY**

Our Company has not declared or paid any cash dividend on our Equity Shares in the past. The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy. This is not indicative of our dividend policy or dividend amount, if any in the future.

## **SECTION V – FINANCIAL STATEMENTS**

### **XIX. FINANCIAL STATEMENT OF THE COMPANY**

#### **Limited Review Report for the quarter ended 31 December 2014**



### **D. DHANDARIA & COMPANY**

CHARTERED ACCOUNTANTS

Thana Road, P.O. TINSUKIA – 786125 (Assam)

Ph: 0374-2337684 Fax: 0374-2350181

website: dhandaria.com

#### **REVIEW REPORT**

We have reviewed the accompanying statement of unaudited financial results of **M/S. GREENLAM INDUSTRIES LIMITED** for the quarter ended 31st December, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material procedures applied to financial data and thus provides less assurance than an audit. We have not performed any audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi

Dated: 2nd February, 2015

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#### **Partners**

CA D. Dhandaria, B.Com.(Hons.) F.C.A.

CA P.K.Dhandaria, B.Com.(Hons.), F.C.A. DISA(ICAI)

CA N. K. Dhandaria, B.Com.(Hons.), F.C.A. DISA(ICAI)

CA (Mrs.) R. Dhandaria, B.Com. F.C.A.

#### **Phones**

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We  
Facilitate  
Compliance

**GREENLAM INDUSTRIES LIMITED**

Regd.Office : Makum Road, Tinsukia, Assam - 786 125

Corporate Office: 1501-1505, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001

Corporate Identity Number : U21016AS2013PLC011624, Phone : +91 11 4279 1399, Fax : +91 11 4279 1330

Website : www.greenlam.com E-mail : investor.relations@greenlam.com

**PART I**

**(₹ in lacs)**

**Statement of Standalone Un-audited Results for the quarter and nine-months ended 31st December, 2014**

| Sl. No. | Particulars   | Quarter ended             | Nine-months ended         | Year ended              |
|---------|---|---------------------------|---------------------------|-------------------------|
|         |   | 31.12.2014<br>(Unaudited) | 31.12.2014<br>(Unaudited) | 31.03.2014<br>(Audited) |
| 1       | <b>Income from Operations</b>   |                           |                           |                         |
|         | (a) Net sales/income from operations (Net of excise duty)                               | 20411.40                  | 58567.49                  | -                       |
|         | (b) Other Operating Income  | 1064.84                   | 2770.66                   | -                       |
|         | <b>Total income from operations (net)</b>   | <b>21476.24</b>           | <b>61338.15</b>           | -                       |
| 2       | <b>Expenses</b>   |                           |                           |                         |
|         | a) Cost of materials consumed   | 13524.58                  | 36809.70                  | -                       |
|         | b) Purchase of Stock-in-trade   | 154.09                    | 283.25                    | -                       |
|         | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade        | (670.13)                  | 203.41                    | -                       |
|         | d) Employee benefits expense  | 2080.57                   | 5912.01                   | -                       |
|         | e) Depreciation and amortisation expense  | 812.48                    | 2224.95                   | -                       |
|         | f) Loss/(Gain) due to fluctuation in Foreign Exchange Rates                             | 105.50                    | 147.92                    | -                       |
|         | g) Other Expenses   | 4101.25                   | 11123.98                  | 0.80                    |
|         | <b>Total Expenses</b>   | <b>20108.34</b>           | <b>56705.22</b>           | <b>0.80</b>             |
| 3       | Profit from operations before other income, finance costs and exceptional items         | 1367.90                   | 4632.93                   | (0.80)                  |
| 4       | Other income  | 26.39                     | 112.22                    | -                       |
| 5       | Profit/(Loss) from ordinary activities before finance costs and exceptional items       | 1394.29                   | 4745.15                   | (0.80)                  |
| 6       | Finance costs   | 703.57                    | 1984.77                   | -                       |
| 7       | Profit/(Loss) from ordinary activities after finance costs but before exceptional items | 690.72                    | 2760.38                   | (0.80)                  |
| 8       | Exceptional items   | -                         | -                         | -                       |
| 9       | <b>Profit/ (Loss) from ordinary activities before tax</b>                               | <b>690.72</b>             | <b>2760.38</b>            | <b>(0.80)</b>           |
| 10      | Tax Expenses  |                           |                           |                         |
|         | for Current   | 144.78                    | 578.59                    | -                       |
|         | for Deferred  | 206.07                    | 498.98                    | -                       |
|         | for MAT Credit  | (135.61)                  | (507.58)                  | -                       |
| 11      | Net Profit/(Loss) from ordinary activities after tax                                    | 475.48                    | 2190.39                   | (0.80)                  |
| 12      | Extraordinary items (net of tax expense ₹ Nil)  | -                         | -                         | -                       |
| 13      | <b>Net Profit / (Loss) for the period</b>   | <b>475.48</b>             | <b>2190.39</b>            | <b>(0.80)</b>           |
| 14      | Paid-up equity share capital (Face value ₹ 5/- per share)                               | 1206.82                   | 1206.82                   | 5.00                    |
| 15      | Reserves excluding Revaluation Reserves   | -                         | -                         | -                       |
| 16      | <b>i) Basic EPS (₹) before and after extraordinary items (of ₹ 5/- each)</b>            | <b>16.36*</b>             | <b>73.40*</b>             | <b>(0.80)</b>           |
|         | <b>ii) Diluted EPS (₹) before and after extraordinary items (of ₹ 5/- each)</b>         | <b>1.97*</b>              | <b>9.08*</b>              | <b>(0.80)</b>           |



| <b>PART II</b>  |   |   |          |        |
|---|---|---|----------|--------|
| <b>Select Information for the quarter and nine-months ended 31st December, 2014</b> |   |   |          |        |
| <b>A</b>  | <b>PARTICULARS OF SHAREHOLDING</b>  |   |          |        |
| 1   | Public Shareholding   |   |          |        |
|   | -Number of Shares   | 10861374                                      | 10861374 | Nil    |
|   | -Percentage of Shareholding   | 45.00   | 45.00    | Nil    |
| 2   | Promoters and Promoter Group Shareholding   |   |          |        |
|   | a) Pledged/Encumbered   |   |          |        |
|   | -Number of Shares   | Nil   | Nil      | Nil    |
|   | -Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil   | Nil      | Nil    |
|   | -Percentage of shares (as a % of the total share capital of the company)                | Nil   | Nil      | Nil    |
|   | b) Non-encumbered   |   |          |        |
|   | -Number of Shares   | 13275000                                      | 13275000 | 100000 |
|   | -Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00  | 100.00   | 100.00 |
|   | -Percentage of shares (as a % of the total share capital of the company)                | 55.00   | 55.00    | 100.00 |
|   | <b>Particulars</b>  | <b>Three Months ended 31st December, 2014</b> |          |        |
| <b>B</b>  | <b>INVESTOR COMPLAINTS</b>  |   |          |        |
|   | Pending at the beginning of the quarter   | Nil   |          |        |
|   | Received during the quarter   | 1   |          |        |
|   | Disposed of during the quarter  | 1   |          |        |
|   | Remaining unresolved at the end of the quarter  | Nil   |          |        |

\* Not annualised

**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 2nd February, 2015. The auditors have carried out "Limited Review" of the above results.
- 2 The Company has exercised the option available to it under Rule 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, it has adjusted a loss of ₹ 86.10 lacs to the cost of its fixed assets on account of such difference arising during the current quarter and has provided for depreciation thereon over the balance useful life of the respective assets. Consequently, the charge to the Profit and Loss Account is effected to that extent.
- 3 In accordance with the provisions of the Companies Act 2013, effective from 1st April, 2014, the Company has reassessed the remaining useful lives of its fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of any asset whose life has completed as above, the carrying value, net of residual value of ₹ 68.51 lacs, as at 1st April 2014 has been adjusted to the General Reserve and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the Statement of Profit and Loss.
- 4 The Hon'ble Gauhati High Court has, on October 31, 2014, approved the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited ("Greenply") and Greenlam Industries Limited ("Greenlam") and their respective shareholders and creditors, for demerger of the Decorative Business (comprising of Laminates and Allied Products) of Greenply with all its assets and liabilities, into Greenlam with effect from April 01, 2013 (Appointed Date). The Scheme became effective w.e.f. November 17, 2014 i.e. the date of filing of the certified copy of the order of the Hon'ble Gauhati High Court with the Registrar of Companies, Shillong. Pursuant to the said Scheme, the Company has, on 29.11.2014, issued and allotted 24136374 equity shares of ₹ 5/- each to the eligible shareholders of Greenply. Further, the existing share capital of the Company (prior to the said allotment) of ₹ 5,00,000/- divided into 1,00,000 equity shares of ₹ 5/- each have been cancelled pursuant to the said scheme and consequently the Company has ceased to be a subsidiary of Greenply Industries Limited.

- 5 The standalone unaudited financial results for the quarter and nine-months ended December 31, 2014 are drawn for the first time in the format provided in Clause 41 of the equity listing agreement hence the figures for the quarter and nine months ended December, 2013 and figures for the quarter ended September 30, 2014 have not been given. Further, the audited figures for the year ended March 31, 2014 have not been recasted post making the Scheme effective and accordingly figures are not comparable with figures for the current year.
- 6 In accordance with the said Scheme, the equity shares of the Company would be listed with National Stock Exchange of India Limited and BSE Limited. The Company has submitted application seeking exemption from Rule 19(2)(b) of the SCRR, 1957 and the same is pending for approval.

**By order of the Board**

**Place: New Delhi**

**Dated : 2nd February, 2015**

**Saurabh Mittal**  
**Managing Director & CEO**

# GREENLAM INDUSTRIES LIMITED

Regd.Office : Makum Road, Tinsukia, Assam - 786 125

Corporate Office: 1501-1505, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001

Corporate Identity Number : U21016AS2013PLC011624, Phone : +91 11 4279 1399, Fax : +91 11 4279 1330

Website : www.greenlam.com E-mail : investor.relations@greenlam.com

## Segmentwise Revenue, Results and Capital Employed

| Particulars  | (₹ in lacs)               |                           |                         |
|--|---------------------------|---------------------------|-------------------------|
|  | Quarter ended             | Nine-months ended         | Year ended              |
|  | 31.12.2014<br>(Unaudited) | 31.12.2014<br>(Unaudited) | 31.03.2014<br>(Audited) |
| <b>1. Segment Revenue (Net)</b>                                  |                           |                           |                         |
| a) Laminates & Allied Products                                   | 19291.41                  | 54769.65                  | -                       |
| b) Decorative Veneer & Allied Products                           | 2184.83                   | 6568.50                   | -                       |
| c) Unallocated   | -                         | -                         | -                       |
| Total  | 21476.24                  | 61338.15                  | -                       |
| Less: Inter Segment Revenue                                      | -                         | -                         | -                       |
| Net Sales/Income from Operations                                 | 21476.24                  | 61338.15                  | -                       |
| <b>2. Segment Result [Profit/(Loss) before tax and interest]</b> |                           |                           |                         |
| a) Laminates & Allied Products                                   | 1788.06                   | 4751.69                   | -                       |
| b) Decorative Veneer & Allied Products                           | 36.38                     | 1122.43                   | -                       |
| c) Unallocated   | -                         | -                         | -                       |
| Total  | 1824.44                   | 5874.12                   | -                       |
| Less: (i) Interest   | 703.57                    | 1984.77                   | -                       |
| (ii) Other Unallocable expenditure net of unallocable Income     | 430.15                    | 1128.97                   | 0.80                    |
| Total Profit before Tax  | 690.72                    | 2760.38                   | (0.80)                  |
| <b>3. Capital employed</b>                                       |                           |                           |                         |
| a) Laminates & Allied Products                                   | 35526.45                  | 35526.45                  | -                       |
| b) Decorative Veneer & Allied Products                           | 13002.84                  | 13002.84                  | -                       |
| c) Unallocated   | 900.47                    | 900.47                    | 2.90                    |
| Total  | 49429.76                  | 49429.76                  | 2.90                    |

- <sup>1</sup> The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 2nd February, 2015. The auditors have carried out "Limited Review" of the above results.

By order of the Board

Place: New Delhi

Dated : 2nd February, 2015

Saurabh Mittal

Managing Director & CEO

## **Auditors Report for the period commencing from 1 April 2014 to 30 September 2014**

### **INDEPENDENT AUDITORS' REPORT**

To  
The Board of Directors,  
Greenlam Industries Limited

#### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of M/s. GREENLAM INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at September 30, 2014, and the Statement of Profit and Loss for the period from 1<sup>st</sup> April, 2014 to 30<sup>th</sup> September, 2014 and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Accounts based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2014;
- b) in the case of Statement of Profit and Loss, of the loss of the Company for the period from 1<sup>st</sup> April, 2014 to 30<sup>th</sup> September, 2014; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- (c) The Balance Sheet and the Statement of Profit and Loss, and the Cash Flow Statement dealt with in this Report are in agreement with the books of account and with the returns received from branches not visited by us.
- (d) In our opinion, Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7(1) of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on September 30, 2014, taken on record by Board of Directors, none of the directors is disqualified as on 30<sup>th</sup> September, 2014, from being appointed as directors in terms of sub section (2) of section 164 of the Companies Act, 2013.
- (f) We have no qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- (g) The company has adequate internal financial controls system in place and such controls are effectively operating.

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature: New Delhi  
Dated : 11th November, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

**GREENLAM INDUSTRIES LIMITED**

**BALANCE SHEET AS AT 30TH SEPTEMBER, 2014**

| <b><u>EQUITY AND LIABILITIES :</u></b> | <b><u>NOTE NO.</u></b> | <b><u>AS AT 30TH SEPTEMBER, 2014</u></b> |                 | <b><u>AS AT 31ST MARCH, 2014</u></b> |                 |
|--|------------------------|--|-----------------|--------------------------------------|-----------------|
|  |                        | <b><u>₹</u></b>                          | <b><u>₹</u></b> | <b><u>₹</u></b>                      | <b><u>₹</u></b> |
| <b>Shareholders' Funds :</b>           |                        |  |                 |                                      |                 |
| Share Capital                          | 1                      | 500000                                   |                 | 500000                               |                 |
| Reserves & Surplus                     | 2                      | <u>(172285)</u>                          |                 | <u>(79851)</u>                       |                 |
|  |                        |  | 327715          |                                      | 420149          |
| <b>Current Liabilities :</b>           |                        |  |                 |                                      |                 |
| Trade payables                         |                        |  | 16854           |                                      | 13062           |
| Other Current Liabilities              | 3                      |  | 300000          |                                      | 3792            |
| <b>T O T A L :</b>                     |                        |  | <u>644569</u>   |                                      | <u>437003</u>   |
| <b><u>ASSETS :</u></b>                 |                        |  |                 |                                      |                 |
| <b>Non-current Assets</b>              |                        |  |                 |                                      |                 |
| Other non-current assets               | 4                      |  | 96337           |                                      | 97605           |
| <b>Current Assets</b>                  |                        |  |                 |                                      |                 |
| Cash & Bank Balances                   | 5                      | 515697                                   |                 | 306863                               |                 |
| Other Current Assets                   | 6                      | <u>32535</u>                             |                 | <u>32535</u>                         |                 |
|  |                        |  | 548232          |                                      | 339398          |
| <b>T O T A L :</b>                     |                        |  | <u>644569</u>   |                                      | <u>437003</u>   |
| Significant Accounting Policies        |                        |  |                 |                                      |                 |
| Notes on Financial Statements          | 1 to 13                |  |                 |                                      |                 |

AS PER OUR ANNEXED REPORT OF EVEN DATE

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature : New Delhi  
Dated : 11th November, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors

**GREENLAM INDUSTRIES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD FROM 1ST APRIL 2014 TO 30TH SEPTEMBER, 2014**

|  | NOTE NO. | FROM 01ST APRIL,<br>2014 TO 30TH<br>SEPTEMBER, 2014 |                | FROM 12TH AUGUST,<br>2013 TO 31ST MARCH<br>, 2014 |                |
|--|----------|---|----------------|---|----------------|
|  |          | ₹   | ₹              | ₹   | ₹              |
| <b><u>INCOME</u></b>                                       |          |   |                |   |                |
| Revenue from Operations                                    |          |   | -              |   | -              |
| <b>Total Revenue</b>                                       |          |   | <u>-</u>       |   | <u>-</u>       |
| <b><u>EXPENDITURE</u></b>                                  |          |   |                |   |                |
| Other Expenses   | 7        |   | 92434          |   | 79851          |
| <b>Total Expenditure</b>                                   |          |   | <u>92434</u>   |   | <u>79851</u>   |
| <b>Profit/(Loss) before Tax</b>                            |          |   | (92434)        |   | (79851)        |
| <b>Tax Expense</b>   |          |   |                |   |                |
| Current Tax  |          | -   |                | -   |                |
| Income Tax for earlier years                               |          | <u>-</u>  |                | <u>-</u>  |                |
|  |          |   | -              |   | -              |
| <b>Profit/(Loss) for the Year</b>                          |          |   | <u>(92434)</u> |   | <u>(79851)</u> |
| <b>Earnings per Equity Share of face value of ₹ 5 each</b> |          |   |                |   |                |
| Basic (in ₹)   | 9        |   | (0.92)         |   | (0.80)         |
| Diluted (in ₹)   |          |   | (0.92)         |   | (0.80)         |

Significant Accounting Policies

Notes on Financial Statements 1 to 13

AS PER OUR ANNEXED REPORT OF EVEN DATE

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature : New Delhi  
Dated : 11th November, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors

# Greenlam Industries Limited

## CASH FLOW STATEMENT FOR THE PERIOD FROM 1ST APRIL, 2014 TO 30TH SEPTEMBER, 2014

₹

|  | FOR THE PERIOD FROM<br>1ST APRIL, 2014 TO<br>30TH SEPTEMBER, 2014 | FOR THE PERIOD FROM<br>12TH AUGUST, 2014 TO<br>31ST MARCH, 2014 |
|--|---|---|
| <b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>                     |   |   |
| Net Profit before Tax and Extraordinary Items                              | (92434)   | (79851)   |
| Add: Preliminary Expenses written off                                      | 16268   | 32535   |
| Operating Profit before Working Capital Changes                            | (76166)   | (47316)   |
| a) Change in Trade Payables  | (3792)  | (13062)   |
| b) Change in Other current liabilities                                     | (296208)  | (3792)  |
|  | (300000)  | (16854)   |
| Cash Inflow (+) / Outflow (-) from Operations                              | 223834  | (30462)   |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Operating Activities</b> | <b>223834</b>   | <b>(30462)</b>  |
| <b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>                     |   |   |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b> | <b>-</b>  | <b>-</b>  |
| <b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>                     |   |   |
| <b>INFLOW</b>  |   |   |
| a) Proceeds from Issue of Share Capital                                    | -   | 500000  |
| <b>OUTFLOW</b>   |   |   |
| a) Preliminary Expenses  | -   | 162675  |
| b) Demerger Expenses   | 15000   | -   |
|  | 15000   | 162675  |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b> | <b>(15000)</b>  | <b>337325</b>   |
| Net Increase (+) / Decrease (-) in Cash Equivalents (A+B+C)                | 208834  | 306863  |
| Add: Balance at the beginning of the period                                | 306863  | -   |
| <b>Cash / Cash Equivalents at the close of the period</b>                  | <b>515697</b>   | <b>306863</b>   |

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature : New Delhi  
Dated : 11th November, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors



## **GREENLAM INDUSTRIES LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. DISCLOSURE OF ACCOUNTING POLICIES (AS – 1):**

##### **1.01 Accounting concepts & Basis of Preparation :**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, except for certain fixed assets which are revalued. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an on-going basis. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

##### **1.02 Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### **2. CASH FLOW STATEMENT (AS - 3) :**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheques in hand and short term investments with an original maturity of three months or less.

#### **3. CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS -4):**

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.

#### **4. RELATED PARTY DISCLOSURES (AS – 18):**

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

#### **5. EARNINGS PER SHARE (AS – 20):**

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **6. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):**

6.01 Provisions are made for present obligations arising as a result of past events.

6.02 Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

6.03 Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

**GREENLAM INDUSTRIES LIMITED**

**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD FROM 01ST APRIL 2014 TO 30TH SEPTEMBER 2014**

|  | AS AT 30TH SEPTEMBER 2014 |          | AS AT 31ST MARCH 2014 |          |
|--|---------------------------|----------|-----------------------|----------|
|  | ₹                         |          | ₹                     |          |
|  | <u>Number</u>             |          | <u>Number</u>         |          |
| <b>1. SHARE CAPITAL:</b>   |                           |          |                       |          |
| <b>1.1 Authorised :</b>  |                           |          |                       |          |
| Equity Shares of ₹ 5 each  | 2000000                   | 10000000 | 2000000               | 10000000 |
| <b>1.2 Issued, Subscribed &amp; Fully Paid-up :</b>  |                           |          |                       |          |
| Equity Shares of ₹ 5 each  | 100000                    | 500000   | 100000                | 500000   |
| <b>1.3 The reconciliation of the number of shares outstanding</b>  |                           |          |                       |          |
| Equity Shares at the beginning of the year   | 100000                    | 500000   | 100000                | 500000   |
| Add : Allotted during the year   | -                         | -        | -                     | -        |
| Total  | 100000                    | 500000   | 100000                | 500000   |
| <b>1.4 Terms/Rights attached to the Equity Shares</b>  |                           |          |                       |          |
| The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Dividend is payable in Indian rupees, as and when declared.   |                           |          |                       |          |
| In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders. |                           |          |                       |          |
| <b>1.5 All of the equity shares issued by the Company are held by its Holding Company</b>  |                           |          |                       |          |
| <b>1.6 Name of The Shareholders holding more than 5% Shares</b>  |                           |          |                       |          |
| <b>EQUITY SHARES</b>   | <b>Number</b>             | <b>%</b> | <b>Number</b>         | <b>%</b> |
| Greenply Industries Limited  | 100000                    | 100.00%  | 100000                | 100.00%  |
| As per records of the Company, including its register of shareholders/members, the above shareholding is inclusive of shares held beneficially.  |                           |          |                       |          |
| <b>2. RESERVES &amp; SURPLUS:</b>  |                           |          |                       |          |
| <b>Surplus</b>   |                           |          |                       |          |
| As per last Balance Sheet  | (79851)                   |          | -                     |          |
| Add/Less : Net profit/(loss) for the financial period  | (92434)                   |          | (79851)               |          |
|  | (172285)                  |          | (79851)               |          |
|  | (172285)                  |          | (79851)               |          |
| <b>3. OTHER CURRENT LIABILITIES</b>  |                           |          |                       |          |
| Deposit against proposal for appointment of directors  | 300000                    |          | -                     |          |
| Statutory Dues   | -                         |          | 3792                  |          |
|  | 300000                    |          | 3792                  |          |
| <b>4. OTHER NON-CURRENT ASSETS</b>   |                           |          |                       |          |
| Unamortised Expenses   | 81337                     |          | 97605                 |          |
| Demerger Expenses  | 15000                     |          | -                     |          |
|  | 96337                     |          | 97605                 |          |
| <b>5. CASH &amp; BANK BALANCES</b>   |                           |          |                       |          |
| <b>5.1 Cash &amp; Cash Equivalents</b>   |                           |          |                       |          |
| Balances with Banks  | 377450                    |          | 306021                |          |
| Cash on Hand   | 63247                     |          | 842                   |          |
|  | 440697                    |          | 306863                |          |
| <b>5.2 Other Bank Balances</b>   |                           |          |                       |          |
| Term Deposits with Banks   |                           |          |                       |          |
| (Receipts pledged with banks & others as security deposits)  |                           |          |                       |          |
| Maturity within 12 months  | 75000                     |          | -                     |          |
| Total  | 515697                    |          | 306863                |          |
| <b>6. OTHER CURRENT ASSETS</b>   |                           |          |                       |          |
| Unamortised Expenses   | 32535                     |          | 32535                 |          |

**GREENLAM INDUSTRIES LIMITED**

**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD FROM 01ST APRIL, 2014 TO 30TH SEPTEMBER 2014**

|  | FROM 01ST APRIL,<br>2014 TO 30TH<br>SEPTEMBER, 2014 | FROM 12TH<br>AUGUST, 2013 TO<br>31ST MARCH, 2014 |
|--|---|--|
| <b>7. OTHER EXPENSES</b>   |   |  |
| Payment to Auditors  | 22472   | 41011  |
| Preliminary expenses written-off   | 16268   | 32535  |
| Miscellaneous Expenses   | 53694   | 6305   |
|  | <u>92434</u>  | <u>79851</u>                                     |
| <b>7.1 AUDITORS' REMUNERATION</b>  |   |  |
| Audit Fees   | 16854   | 16854  |
| Fees for certificates  | 5618  | 24157  |
|  | <u>22472</u>  | <u>41011</u>                                     |
| <b>8. NAME OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP AS PER ACCOUNTING STANDARD AS-18</b> |   |  |
| <b>8.1 Holding Company : Greenply Industries Limited</b>   |   |  |
| Finance (Equity contribution received)   | ₹ -   | 500000   |
| <b>9. EARNINGS PER SHARE</b>   | FROM 01ST APRIL,<br>2014 TO 30TH<br>SEPTEMBER, 2014 | FROM 12TH<br>AUGUST, 2013 TO<br>31ST MARCH, 2014 |
| Calculation of weighted average number of equity shares of ₹ 5 each                                |   |  |
| No of Shares at the beginning of the period  | 100000  | -  |
| Total no. of equity shares outstanding at the end of the period                                    | 100000  | 100000   |
| Equity shares outstanding for 232 days   | -   | 100000   |
| Equity shares outstanding for 183 days   | 100000  | -  |
| Weighted average number of equity shares outstanding during the period                             | 100000  | 100000   |
| Net Profit (after tax, available for equity shareholders)  | (92434)   | (79851)  |
| BASIC EARNINGS PER SHARE   | (0.92)  | (0.80)   |
| No of Shares at the beginning of the period  | 100000  | -  |
| Total no. of equity Shares outstanding at the end of the period                                    | 100000  | 100000   |
| Equity shares outstanding for 232 days   | -   | 100000   |
| Equity shares outstanding for 183 days   | 100000  | -  |
| Weighted average number of equity shares outstanding during the period                             | 100000  | 100000   |
| Net Profit (after tax, available for equity shareholders)  | (92434)   | (79851)  |
| DILUTED EARNINGS PER SHARE   | (0.92)  | (0.80)   |
| <b>10. CONTINGENT LIABILITIES AND COMMITMENTS</b>  |   |  |
| Contingent Liabilities - ₹ NIL. ( Previous year ₹ NIL)   |   |  |

**GREENLAM INDUSTRIES LIMITED**

**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD FROM 01ST APRIL 2014 TO 30TH SEPTEMBER 2014**

**11. TAKE-OVER OF DEMERGED UNDERTAKING**

The Company has entered into a composite scheme of arrangement under sections 100 to 104 and 391 to 394 of the erstwhile Companies Act, 1956 with M/s. Greenply Industries Ltd. (hereinafter referred to as "Greenply") whereby with effect from the Appointed Date (i.e. 01-04-2013), without any further act, deed, instrument, matter or thing, the business operation of decorative business of Greenply (hereinafter referred to as "demerged undertaking") shall be demerged and transferred to or shall be deemed to have been transferred to and vested in the Company 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 therein at their respective book values in compliance of section 2(19AA) of Income Tax Act, 1961 and subject to approval of the jurisdictional High Court.

Greenply shall carry on the business of the proposed Demerged Undertaking in the ordinary course of business for and on account of and in trust for the Company and 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 the Company. However, the relevant figures are not presently ascertainable.

Upon the scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, the Company 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.

Pursuant to and upon this Scheme becoming effective, the Company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Company to issue and allot the equity shares in the Company to the shareholders of Greenply in terms of this Scheme. The equity shares in the Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

The Hon'ble Gauhati High Court has, on October 31, 2014, approved the composite Scheme of Arrangement under Sections 100 to 104 and 391 to 394 of the Companies Act, 1956 between Greenply Industries Limited ("Greenply") and Greenlam Industries Limited ("Greenlam"), a wholly owned subsidiary of Greenply, and their respective shareholders and creditors, for demerger of the Decorative Business (comprising of Laminates and Allied Products) of Greenply with all its assets and liabilities, into Greenlam with effect from April 01, 2013 (Appointed Date). The Scheme will be effective post filing of the certified copies of the order of the Hon'ble Gauhati High Court with the Registrar of Companies, Shillong, pending which no effect has been given to the Scheme in the Financial Statements.

12. Where changes are made in presentation, the comparative figures of the previous year are regrouped accordingly
13. Figures have been rounded off to the nearest rupee.

**For D. Dhandaria & Company**  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature : New Delhi  
Dated : 11th November, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

**Shiv Prakash Mittal**  
**Saurabh Mittal**  
Directors



## **Auditors Report for financial year ending 31 March 2014**

### **Independent Auditors' Report**

To  
The Members of  
**Greenlam Industries Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. Greenlam Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the period from 12<sup>th</sup> August 2013 (the date of incorporation) to 31<sup>st</sup> March 2014 and Cash Flow Statement for the period from 12<sup>th</sup> August 2013 (the date of incorporation) to 31<sup>st</sup> March 2014, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular number 15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss of the Company for the period from 12<sup>th</sup> August 2013 (the date of incorporation) to 31<sup>st</sup> March 2014; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the period from 12<sup>th</sup> August 2013 (the date of incorporation) to 31<sup>st</sup> March 2014.

## **Report On Other Legal and Regulatory Requirements**

1. Although the requirements of Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, are applicable to the Company, none of the matters specified in the said order are applicable in the case of the Company.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular number 15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

**For D. Dhandaria & Company**  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

**Place of Signature: Kolkata**  
**Dated : 26th May, 2014**

**(Naveen Kumar Dhandaria)**  
Partner  
Membership No. 061127

# Greenlam Industries Limited

## BALANCE SHEET AS AT 31st MARCH, 2014

| <u>EQUITY AND LIABILITIES:</u>  | <u>NOTE NO.</u> | <u>AS AT 31ST MARCH, 2014</u> |               |
|---------------------------------|-----------------|-------------------------------|---------------|
|                                 |                 | <u>₹</u>                      | <u>₹</u>      |
| <b>Shareholders' Funds :</b>    |                 |                               |               |
| Share Capital                   | 1               | 500000                        |               |
| Reserves & Surplus              | 2               | (79851)                       | 420149        |
| <b>Current Liabilities</b>      |                 |                               |               |
| Other Current Liabilities       | 3               | 16854                         | 16854         |
| <b>TOTAL :</b>                  |                 |                               | <u>437003</u> |
| <b><u>ASSETS :</u></b>          |                 |                               |               |
| <b>Other Non-current Assets</b> | 4               | 97605                         | 97605         |
| <b>Current Assets</b>           |                 |                               |               |
| Cash & Cash Equivalent          | 5               | 306863                        |               |
| Other Current Assets            | 6               | 32535                         | 339398        |
| <b>TOTAL :</b>                  |                 |                               | <u>437003</u> |
| Significant Accounting Policies |                 |                               |               |
| Notes on Financial Statements   | 1 to 12         |                               |               |

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors

Place of Signature: Kolkata  
Dated: 26th May, 2014

# Greenlam Industries Limited

## STATEMENT OF PROFIT AND LOSS FROM 12TH AUGUST 2013 TO 31ST MARCH, 2014

| FOR THE PERIOD FROM 12TH AUGUST 2013<br>TO 31ST MARCH, 2014 |                 |          |
|---|-----------------|----------|
| <u>INCOME:</u>  | <u>NOTE NO.</u> | <u>₹</u> |
| Total Revenue   |                 | -        |
| <u>EXPENDITURE:</u>   |                 |          |
| Auditors Remuneration                                       | 8               | 41011    |
| Filing Fees   |                 | 3500     |
| Miscellaneous Expenses                                      |                 | 2805     |
| Preliminary Expenses Written Off                            |                 | 32335    |
| Total Expenditure   |                 | 79851    |
| Profit/(loss) before Tax                                    |                 | (79851)  |
| Tax Expense   |                 |          |
| Current Tax   |                 | -        |
| Profit/(Loss) for the Year                                  |                 | (79851)  |
| Earnings per Equity Share of face value of ₹ 5 each         | 10              |          |
| Basic (in ₹)  |                 | (0.80)   |
| Diluted (in ₹)  |                 | (0.80)   |
| Significant Accounting Policies                             |                 |          |
| Notes on Financial Statements                               | 1 to 12         |          |

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature: Kolkata  
Dated: 26th May, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors



## Greenlam Industries Limited

### CASH FLOW STATEMENT FOR THE PERIOD FROM 12TH AUGUST 2013 TO 31ST MARCH, 2014

|  |                       |
|--|-----------------------|
|  | ₹                     |
| A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:                            |                       |
| Net Profit before Tax and Extraordinary Items                              | (79851)               |
| Add: Preliminary Expenses written off                                      | 32535                 |
| Operating Profit before Working Capital Changes                            | (47316)               |
| a. Change in Trade Payables  | (16854)               |
| Cash Inflow (+) / Outflow (-) from Operations                              | (30462)               |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Operating Activities</b> | <b><u>(30462)</u></b> |
| B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:                            |                       |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b> | <b><u>-</u></b>       |
| C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:                            |                       |
| INFLOW   |                       |
| a) Proceeds from Issue of Share Capital                                    | 500000                |
| OUTFLOW  |                       |
| a) Preliminary Expenses  | 162675                |
| <b>Net Cash Inflow (+) / Outflow (-) in course of Investing Activities</b> | <b><u>337325</u></b>  |
| Net Increase (+) / Decrease (-) in Cash Equivalents (A+B+C)                | 306863                |
| Add: Balance at the beginning of the period                                | -                     |
| <b>Cash / Cash Equivalents at the close of the period</b>                  | <b><u>306863</u></b>  |

For D. Dhandaria & Company  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature: Kolkata  
Dated: 26th May, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors

## **GREENLAM INDUSTRIES LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. ACCOUNTING CONCEPTS & BASIS OF PRESENTATION (AS – 1) :**

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the Companies Act, 1956, read with the General Circular number 15/2013 dated 13th September, 2013 in respect of Section 133 of the Companies Act, 2013 and General Circular number 08/2014 dated 04th April 2014 of the Ministry of Corporate Affairs. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

#### **2. CASH FLOW STATEMENT (AS - 3) :**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheques in hand and short term investments with an original maturity of three months or less.

#### **3. EARNINGS PER SHARE (AS – 20):**

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# Greenlam Industries Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 12TH AUGUST 2013 TO 31ST MARCH, 2014

|  |  | AS AT 31ST MARCH, 2014 |          |
|--|--|------------------------|----------|
|  |  | Number                 | ₹        |
| <b>1. SHARE CAPITAL</b>  |  |                        |          |
| <b>1.1 Authorised</b>  |  |                        |          |
| Equity Shares of ₹ 5 each  |  | 2000000                | 10000000 |
|  |  | 2000000                | 10000000 |
| <b>1.2 Issued, Subscribed and Fully Paid up</b>  |  |                        |          |
| Equity Shares of ₹ 5 each  |  | 100000                 | 500000   |
| <b>1.3 The reconciliation of the number of shares outstanding</b>  |  |                        |          |
| Equity Shares at the beginning of the year   |  | -                      | -        |
| Add : Allotted during the year   |  | 100000                 | 500000   |
| Total  |  | 100000                 | 500000   |
| <b>1.4 Terms/Rights attached to the Equity Shares</b>  |  |                        |          |
| The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.   |  |                        |          |
| In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders. |  |                        |          |
| <b>1.5 All of the equity shares issued by the Company are held by its Holding Company</b>  |  |                        |          |
| <b>1.6 Name of the Shareholders holding more than 5% Shares</b>  |  |                        |          |
| <b>EQUITY SHARES</b>   |  | Number                 | %        |
| Greenply Industries Limited  |  | 100000                 | 100.00%  |
| As per records of the Company, including its register of shareholders/members, the above shareholding is inclusive of shares held beneficially.  |  |                        |          |
| <b>2. RESERVES &amp; SURPLUS</b>   |  |                        |          |
| <b>Surplus</b>   |  |                        |          |
| As per last Balance Sheet  |  | -                      |          |
| Add/(Less) : Net profit/(Loss) for the financial period  |  | (79851)                | (79851)  |
| Total  |  |                        | (79851)  |
| <b>3. OTHER CURRENT LIABILITIES</b>  |  |                        |          |
| Trade Payable  |  |                        | 13062    |
| Statutory Dues   |  |                        | 3792     |
|  |  |                        | 16854    |
| <b>4. OTHER NON-CURRENT ASSETS</b>   |  |                        |          |
| Preliminary Expenses   |  |                        | 97605    |
| <b>5. CASH &amp; CASH EQUIVALENTS</b>  |  |                        |          |
| Balance with a Bank  |  |                        | 306021   |
| Cash in Hand   |  |                        | 842      |
| <b>6. OTHER CURRENT ASSETS</b>   |  |                        |          |
| Preliminary Expenses   |  |                        | 32535    |
| <b>7. CONTINGENT LIABILITIES - NIL</b>   |  |                        |          |

# Greenlam Industries Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 12TH AUGUST 2013 TO 31ST MARCH, 2014

|                                  | FOR THE YEAR ENDED<br>31ST MARCH 2014 |
|----------------------------------|---------------------------------------|
|                                  | ₹                                     |
| <b>8. AUDITORS' REMUNERATION</b> |                                       |
| Audit Fees                       | 16854                                 |
| Fees for certificates            | 24157                                 |
|                                  | <u>41011</u>                          |

## 9. NAME OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP AS PER ACCOUNTING STANDARD AS-18

### 9.1 Holding Company : Greengly Industries Limited

|  |   |        |
|--|---|--------|
| Finance (Equity contribution received) | ₹ | 500000 |
|--|---|--------|

## 10. EARNINGS PER SHARE

Calculation of weighted average number of equity shares of ₹ 5 each

|  |           |
|--|-----------|
| No of Shares at the beginning of the period                            | -         |
| Total no. of equity shares outstanding at the end of the period        | 100000    |
| Equity shares outstanding for 232 days                                 | 100000    |
| Weighted average number of equity shares outstanding during the period | 100000    |
| Net Profit (after tax, available for equity shareholders)              | ₹ (79851) |
| <b>BASIC EARNINGS PER SHARE</b>  | ₹ (0.80)  |
| No of Shares at the beginning of the period                            | -         |
| Total no. of equity Shares outstanding at the end of the period        | 100000    |
| Equity shares outstanding for 232 days                                 | 100000    |
| Weighted average number of equity shares outstanding during the period | 100000    |
| Net Profit (after tax, available for equity shareholders)              | ₹ (79851) |
| <b>DILUTED EARNINGS PER SHARE</b>                                      | ₹ (0.80)  |

## 11. TAKE-OVER OF DEMERGED UNDERTAKING

The Company has entered into a composite scheme of arrangement under sections 100 to 104 and 391 to 394 of the erstwhile Companies Act, 1956 with M/s. Greengly Industries Ltd. (hereinafter referred to as "Greengly") whereby with effect from the Appointed Date (i.e. 01-04-2013), without any further act, deed, instrument, matter or thing, the business operation of decorative business of Greengly (hereinafter referred to as "demerged undertaking") shall be demerged and transferred to or shall be deemed to have been transferred to and vested in the Company as a going concern for all the estate and interest of Greengly therein in accordance with and subject to the modalities for transfer and vesting stipulated therein at their respective book values in compliance of section 2(19AA) of Income Tax Act, 1961, and subject to approval of the jurisdictional High Court.

Greengly shall carry on the business of the proposed Demerged Undertaking in the ordinary course of business for and on account of and in trust for the Company and all incomes and profits accruing to Greengly (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 the Company. However, the relevant figures are not presently ascertainable.

# Greenlam Industries Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 12TH AUGUST 2013 TO 31ST MARCH, 2014

Upon the scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, the Company 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.

Pursuant to and upon this Scheme becoming effective, the Company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Company to issue and allot the equity shares in the Company to the shareholders of Greenply in terms of this Scheme. The equity shares in the Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.

12. The Company having been incorporated on 12<sup>th</sup> August, 2013, the Statement of Profit & Loss and cash flow has been prepared since that date and as such, in the financial statements, the comparative figures for the previous year/period are not given

AS PER OUR ANNEXED REPORT OF EVEN DATE.

**For D. Dhandaria & Company**  
Chartered Accountants  
ICAI Firm Regn. No. 306147E

Place of Signature: Kolkata  
Dated: 26th May, 2014

(Naveen Kumar Dhandaria)  
Partner  
Membership No. 061127

Shiv Prakash Mittal  
Saurabh Mittal  
Directors

## XX. MANAGEMENT DISCUSSION AND ANALYSIS

### **Decorative Business**

Our Company's current business is resultant of de-merger of the Decorative business of Greenply Industries Limited pursuant to the Composite Scheme of Arrangement. Post the said Scheme, our Company's business has been designed to be an interior infrastructure company engaged in the manufacture of laminates, decorative veneers and their allied products and are one of the largest in India in the segments in which we operate.

Our products and installed capacities are as follows:

| Manufacturing Unit         | Product                     | Installed Capacity  | Our major brands  |
|----------------------------|-----------------------------|---------------------|---|
| Behror, Rajasthan          | Laminates                   | 5.34 million Sheets | Greenlam, Green touch, Green Gloss, Greenlam Supertuf, New Mika, Sturdo, Green Decowood, Clads, Mikasa, MFC |
|                            | Decorative veneers          | 4.20 million sqm    |   |
|                            | Engineered Wood Flooring    | 1.00 million sqm    |   |
|                            | Prelaminated Particle Board | 30,000 CBM          |   |
| Nalagarh, Himachal Pradesh | Laminates                   | 4.68 million sheets |   |

We have been awarded with ISO 9001, ISO 14001 and OHSAS 18001 certifications for our manufacturing facilities at Behror and Nalagarh. We have also received Greenguard Certification for "Low Emitting Products and Materials" for our product Greenlam Laminates.

We have a pan-India presence and export our laminate products to various countries including the United States of America, Europe, Russia, United Kingdom, Israel, Middle East Countries, Singapore, Thailand, Malaysia, Taiwan, Hong Kong.

### **Factors Affecting Results of Operations**

#### **1. Changes in Government Policies relating to laminate industry**

Our manufacturing activities are subject to environmental laws and regulations promulgated by the Ministry of Environment of Government of India, State Pollution Control Board among other laws which regulate discharge of effluents, polluted emissions, hazardous substances and so on. Any changes in the policies relating to our industry could materially impact our operations.

#### **2. Raw Material Availability and cost**

We import raw materials for both of our manufacturing facilities, which are at a distance from the port and depend on the internal infrastructure, any deterioration in the infrastructure may result in reduction of raw material availability and consequently increase our raw material costs and could significantly affect our operating results.

### **3. Changes in the demand for decorative products**

The demand for interior infrastructure products is primarily dependent on the demand for real estate, which influences the demand for laminates and other interior infrastructure products. Periods of slowdown in the economic growth of India have significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for laminates and other infrastructure products and the results of our operations.

### **4. Changes in the foreign exchange control regulations, interest rates and tax laws in India**

Taxes and other levies imposed by the Central or State Governments in India that affect the industry we operate in, includes customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Any new taxes/ changes in existing tax policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

### **5. Macroeconomic factors**

Macroeconomic factors such as a recession or any other economic instability, political uncertainty, social upheavals or acts of God affecting India or our other geographic markets.

### **Significant Accounting Policies**

For significant Accounting policies please refer to “*Financial Statements*”.

### **Changes in accounting policies**

There has been no change in accounting policies of our Company.

### **Business Performance Review**

On a pre-scheme basis, for the period ended 30 September 2014, our Company incurred expenses of Rs. 92,434 towards auditor expenses, advertising expenses, writing off preliminary expenses and other miscellaneous expenses. The net loss for period ended 30 September 2014 was Rs. 92,434.

### **Quantitative and Qualitative Disclosures about Market Risk**

In the normal course of business, our Company is exposed to certain market risks such as interest rate risk, competitor risk and human resource risk.

- ***Interest Rate Risk***

The Company is exposed to interest rate risk on its floating rate debt and on additional debt financing that may be needed for various reasons, including funding capital expenditures and the repayment or refinancing of outstanding debt. Upward fluctuations in interest rates increase the costs of both existing and new debt.

- ***Competitor Risk***

The market is competitive and fragmented. Company continues to focus on increasing its market share and taking marketing initiatives that help create differentiation and provide optimum service to its customers.

- ***Human Resource Risk***

Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talents. It shall continuously benchmark HR policies and practices with the best in the industry and shall carry out necessary improvements to attract and retain the best talent.

#### **Unusual or Infrequent Events or Transactions**

Except as discussed above, there have been no events or transactions to our knowledge which may be described as unusual or infrequent.

#### **Significant Economic Changes**

Except as discussed above, to our knowledge there are no known factors which will have a material adverse impact on our operations and profitability.

#### **Known trends or uncertainties**

Our Company's business has been impacted and is expected to continue to be impacted by the trends identified above in the section titled "*Management Discussion and Analysis*" and the uncertainties described in the section titled "*Risk Factors*". To the best of our knowledge, except as has been described in this Information Memorandum, there are no known factors, which our Company would expect to have a material adverse impact on its revenues or income from continuing operations.

#### **Future relationship between costs and income**

Other than as described in the chapters "*Risk Factors*" and "*Management Discussion and Analysis*" and elsewhere in the Information Memorandum, to our Company's knowledge, there are no known factors which will have a material adverse impact on its operation and finances.

#### **Increase in revenue**

In addition to increases in the volume of sales of our Company's products, the introduction of the new products and/or brands would also likely contribute to increases in our Company's revenues.

#### **Total turnover of each major industry segment**

Except as disclosed under "*Industry Overview*" section, we don't have total turnover of each major industry segment in which we operated.

#### **New product or business segment**

Other than as described in the section titled "*Business Overview*", to the Company's knowledge, there are no new products or business segments.

#### **Seasonality**

We are a company dealing with decorative products, demand for which is not seasonal in nature.

#### **Significant dependence on a single or few suppliers or customers**

We are not significantly dependent on a single or few suppliers or customers.



## **Competitive Conditions**

For details of competitive conditions we face, see sections titled “*Risk Factors*” and “*Business Overview*” of this Information Memorandum.

## **MATERIAL DEVELOPTMENTS SUBSEQUENT TO LAST FINANCIAL YEAR**

- The Hon’ble Gauhati High Court, vide order dated 31 October 2014 has sanctioned the Scheme. Pursuant to the Scheme, the Demerged Undertaking of Greenply have been vested with our Company with effect from 1 April 2013 (i.e. the Appointed Date under the Composite Scheme of Arrangement) under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act.
- The aforesaid order of the Gauhati High Court was filed by our Company with the RoC on 17 November 2014 which is the Effective Date of the Scheme.
- As per the Scheme, the shareholders of Greenply as on the Record Date have been allotted 1 (One) equity share of Rs. 5.00 each in Greenlam, credited as fully paid up for every 1 (One) equity share of INR 5.00 each held by them in Greenply.
- Our Company has received copy of letter dated 10 February 2015 from SEBI and addressed to NSE granting relaxation to the Company from the applicability of Rule 19(2) (b) of the SCRR.

## **SECTION VI – LEGAL AND OTHER INFORMATION**

### **XXI. OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS**

All suits, actions and proceedings of whatever nature by or against Greenply pending and/or arising on or before the Effective Date of the Scheme shall not abate, or be discontinued, or be in any way prejudicially affected by the transfer of the Demerged Undertakings pursuant to the Scheme but be continued, prosecuted and enforced by or against the Resulting Company, viz., Greenlam Industries Limited as effectually as if the same had been pending and/or arising against the Resulting Company.

Except as described below, there are no material outstanding or pending litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoter or our Group Companies that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues or dues payable to holders of debentures, bonds and fixed deposits, that would have a material adverse effect on our business.

All references to the “Company”, “we”, “our” and “Group Companies” in this Section VI shall relate to the companies for whom disclosures have been made in this Section under the respective headings.

### **LEGAL PROCEEDINGS**

#### **A. Litigations involving the Company**

##### **(1) Cases Filed Against the Company**

| <b>Sr. No.</b>                | <b>Parties</b>   | <b>Forum</b>                               | <b>Brief Description</b>  | <b>Amount Involved</b>                     |
|-------------------------------|--|--|---|--|
| <b>BEHROR UNIT, RAJASTHAN</b> |  |  |   |  |
| 1.                            | Commissioner of Central Excise, Jaipur (“CCE, Jaipur”) and Greenlam. | Rajasthan High Court, Jaipur Bench, Jaipur | The appeal has been filed by CCE, Jaipur against the order dated March 15, 2010 passed by the Customs, Excise & Service Tax Appellate Tribunal, New Delhi for setting aside the order-in-appeal, bearing no. 118 (DK) CE / JPR-I / 2009 and dated June 15, 2009, passed by the Commissioner (Appeals-1), Central Excise, Jaipur. The issue involves a demand for the reversal of Cenvat Credit obtained by Greenply in respect of ‘Short Cycle Press Machine’ due to its subsequent removal by Greenply to its other unit at Rudrapur, Uttarakhand after payment of duty amounting to Rs. 6,88,000/- which has been alleged to be irregular. It has been alleged that the Company | Rs. 11,07,117/- (interest, as applicable). |

| Sr. No. | Parties   | Forum  | Brief Description   | Amount Involved   |
|---------|---|--|---|---|
|         |   |  | removed the said machine without payment of duty equal to the Cenvat credit availed by it originally. The matter is currently pending.  |   |
| 2.      | Office of the Commissioner of Customs (Export), Maharashtra and Greenlam                | Office of the Commissioner of Customs (Export), Maharashtra                | A demand cum show-cause notice, bearing no. F. No. S/16-Gen-125//13/Gr. 71 and dated April 18, 2014, has been issued by the Office of the Commissioner of Customs (Export), Maharashtra to Greenply directing it to explain as to why a wrongful debit of custom duty amounting to Rs. 2,64,257.56/- for imported goods in respect of bill of entry no. 3329599 that has been made by it under licence no. 0210158403 should not be demanded from Greenply under Section 28(1) of the Customs Act, 1962. Greenply, vide its reply dated June 30, 2014, has denied all the allegations made against it and has stated that the impugned bill of entry does cover crystal melamine. Greenply has also submitted the said custom duty amount has been correctly debited and show-cause notice be dropped. The matter is currently pending. | Rs. 2,64,257.56/- (interest, as applicable)   |
| 3.      | Additional Commissioner, Central Excise Commissionerate, Jaipur, Rajasthan and Greenlam | Additional Commissioner, Central Excise Commissionerate, Jaipur, Rajasthan | A show-cause notice, bearing no. IV (6) 12 / AE / JPR – I / 2014 / 581 and dated July 24, 2014, has been issued by the Additional Commissioner, Central Excise Commissionerate, Jaipur, Rajasthan to Greenply for explaining, within 30 days from the date of receipt of the said show-cause notice, the non-payment by it of custom duty of Rs. 19,08,168/- in respect of consignment of an imported plywood. It has been alleged  | Rs. 19,08,168/- along with interest. Additionally, the said custom duty amount of 19,08,168/- has already been paid by Greenply but the same shall not be appropriated. |

| Sr. No. | Parties   | Forum  | Brief Description   | Amount Involved  |
|---------|---|--|---|--|
|         |   |  | that the said consignment was cleared under transit bond from Inland Container Depot, TKD, New Delhi to Greenply's private bonded warehouse at Behror but was diverted by Greenply to its factory premises at Behror without first physically inwarding the same at its private bonded warehouse at Behror and a green bill of entry has not been filed by it in this regard. The matter is currently pending.  | Moreover, penalty equal to the amount of custom duty not paid and additional penalty under Section 112 of the Customs Act, 1962. |
| 4.      | Assistant Commissioner, Circle-B, Commercial Taxes, Bhiwadi and Greenlam. | Rajasthan Tax Board, Ajmer, Rajasthan                    | 2 (two) separate appeals have been filed by Assistant Commissioner, Commercial Taxes, Bhiwadi against the orders passed by the Deputy Commissioner (Appeals), Commercial Taxes, Bharatpur on February 07, 2008 (Assessment Year: 2003 – 2004) and March 12, 2008 (Assessment Year: 2004 – 2005). It has been submitted in the appeals that Greenply has been wrongly allowed the set-off of entry tax for the Assessment Years 2003 – 2004 and 2004 – 2005 despite not paying any sales tax in this regard in the State. It has also been submitted that a transfer of goods by Greenply from one branch to another does not constitute a sale. Consequently, if no sales tax has been paid by Greenply, then the set-off against entry tax made by it is wrong. The matter is currently pending. | Rs. 76,60,696/- (Assessment Year: 2003 – 2004) and Rs. 30,43,888/- (Assessment Year: 2004 – 2005)                                |
| 5.      | Commercial Tax Officer, Circle Alwar and Greenlam.                        | Office of the Appellate Authority, Commercial Tax, Alwar | A notice for demand, dated March 15, 2014, has been issued on Greenply by the Assistant Commissioner, Commercial Tax, Circle Alwar for an amount of Rs. 70,27,665/-. An appeal has been made by Greenply  | Rs. 70,27,665/-  |

| Sr. No. | Parties   | Forum                | Brief Description  | Amount Involved                        |
|---------|---|----------------------|--|--|
|         |   |                      | against the said order and a stay order dated May 01, 2014 has been issued by Office of the Appellate Authority, Commercial Tax, Alwar for staying the said demand subject to compliance with terms and conditions set out thereunder. The matter is currently pending.  |  |
| 6.      | R.P. Castings Private Limited ("RP"), Central Excise Department, Alwar and Greenlam   | Rajasthan High Court | <p>On account of non-payment of certain dues owed by RP to the Central Excise Department, the Deputy Commissioner, Central Excise, Alwar conducted a public auction on 5 February 2014 pursuant to which the property bearing Plot No. E – 174 – 175, RIICO Industrial Area, Phase – II, Behror, District Alwar, Rajasthan was sold to Greenply, which sale was been confirmed and made absolute on 21 March 2014 vide order issued by Assistant Commissioner, Central Excise Division, Alwar.</p> <p>Against the said sale and transfer of the property, RP has filed an appeal before the Rajasthan High Court against the Central Excise Department, in which appeal RP has requested the Hon'ble High Court to make Greenply a party to the appeal. The appeal is currently pending.</p> | Amount involved cannot be ascertained. |
| 7.      | <b>Labour Cases</b> <p>(a) Three (3) cases relating to reinstatement of service have been instituted against Greenlam before the Labour Court and Industrial Tribunal, Alwar, Rajasthan. The cases have been instituted by Nand Lal (LCR No. 769 of 2006), Ratan Singh (LCR No. 610 of 2006) and Dal Chand Tewari (LCR No. 183 of 2006). The claim amount involved in the said proceedings cannot be ascertained. All the cases are currently pending.</p> <p>(b) Separately, Mr. Shyam Sunder Gaur has filed an application under Rule 22(A) of the rules framed under the Rajasthan Industrial Disputes Act before the Labour Court and the Industrial Tribunal, Bharatpur, Alwar, Rajasthan, being case no Misc.</p> |                      |  |  |

| Sr. No.                         | Parties  | Forum   | Brief Description   | Amount Involved                           |
|---------------------------------|--|---|---|---|
|                                 | No. 41 of 2006, for setting aside the ex-parte award dated May 29, 2001 passed in Case No. 77 of 2000 relating to termination of services of Mr. Shyam Sunder Gaur from Greenlam. Greenlam has filed its reply to the application. The claim amount involved in the proceeding cannot be ascertained. The matter is currently pending. |   |   |   |
| NALAGARH UNIT, HIMACHAL PRADESH |  |   |   |   |
| 8.                              | Office of the Assistant Commissioner, Central Excise Division, Shimla and Greenlam   | Office of the Assistant Commissioner, Central Excise Division, Shimla | A show-cause notice, bearing no. IV(16)STC/SCN/Greenply/SML/37/12-13/20287 and dated March 14, 2013, has been issued to Greenply on an issue identical to the one raised under Service Tax Exemption Show-cause Notice. However, this show-cause notice relates to the period from 2009 – 2010 to 2012 – 2013 (up to December 2012). Greenply, <i>vide</i> its response dated December 30, 2013, has submitted that due to certain delay in filing of relevant declarations, the substantive benefit of exemption under the notification no. 18 / 2009 – ST should not be denied to Greenply. The matter is currently pending.  | Rs. 3,83,649/- plus interest and penalty. |
| 9.                              | Central Excise & Service Tax Commissionerate, Chandigarh – I and Greenlam  | Central Excise & Service Tax Commissionerate, Chandigarh – I          | A show-cause notice, bearing no. V(48)SCN/ADC/SML/66/12/72 8 and dated March 21, 2013, has been issued by Central Excise & Service Tax Commissionerate to Greenply alleging that the plastic scrap generated during the process of manufacturing laminate has been cleared/removed by it without payment of the central excise duty applicable thereupon. The said show-cause notice relates to the plastic scrap generated by Greenply during the financial years 2009 – 2010 till 2012 – 2013 (up to December 31, 2012). Greenply <i>vide</i> its reply has denied all the allegations made against it in the said show-cause notice and has submitted that generation of plastic scrap | Rs. 14,23,019/- plus interest and penalty |

| Sr. No. | Parties                                      | Forum   | Brief Description  | Amount Involved |
|---------|--|---|--|-----------------|
|         |  |   | neither constitutes 'manufacture' nor the generated plastic scrap constitutes 'goods' under the Central Excise Act, 1944. The matter is currently pending.   |                 |
| 10.     | Income Tax Officer (TDS), Solan and Greenlam | Office of the Commissioner of Income Tax (TDS), Solan | <p>Office of the Commissioner of Income Tax (TDS), Solan has vide letter no. ITO(TDS)/SLN/2013-14/2087 dated November 06, 2013 issued the following notices of demand on Greenply:</p> <p>(a) In respect of the 4<sup>th</sup> quarter of Financial Year 2009-10, return in Form-27Q, vide assessment notice dated October 03, 2011, subsequently corrected in the revised return vide acknowledgement. No 061560100021733 dated December 26, 2011 for an amount of Rs.2748/-. In relation to the above, Greenply has filed its reply on January 02, 2014 and made online revision, pursuant to which the aforementioned demand has been withdrawn.</p> <p>(b) In respect of the 4<sup>th</sup> quarter of Financial Year 2009-10, return in Form-26Q, vide assessment notice dated October 03, 2011, subsequently corrected in the revised return vide acknowledgement. No 011390200168056 dated June 03, 2012 for an amount of Rs.1502. In relation to the above, Greenply has filed its reply on January 02, 2014 and made online revision in respect thereof, pursuant to which the aforementioned demand has been</p> | Rs. 3,47,530/-  |

| Sr. No. | Parties | Forum | Brief Description   | Amount Involved |
|---------|---------|-------|---|-----------------|
|         |         |       | <p>withdrawn.</p> <p>(c) In respect of the 4<sup>th</sup> quarter of Financial Year 2009-10, return in Form-27EQ, vide assessment notice dated October 03, 2011, subsequently corrected in the revised return vide acknowledgement. No 061560100021044, dated November 28, 2011 for an amount of Rs.8020/- /-. In relation to this, Greenply has filed its replies on January 02, 2014 and made online revision in respect thereof. At present the demand in respect of the aforementioned is Rs. 8020/-.</p> <p>(d) In respect of the 4<sup>th</sup> quarter of Financial Year 2010-11, return in Form-24Q, vide assessment notice dated November 16, 2011, subsequently corrected in the revised return vide acknowledgement. No 073689600001146 dated March 01, 2014, for an amount of Rs. 2556/-. In relation to this, Greenply has filed its replies on January 02, 2014 and made online revision in respect thereof. At present the demand in respect of the aforementioned is Rs. 48,740/-.</p> <p>(e) In respect of the 1<sup>st</sup> quarter of Financial Year 2010-11, return in Form-27Q, vide assessment notice dated August 18, 2011, subsequently corrected in the revised return vide acknowledgement. No 061560100021136 dated</p> |                 |



| Sr.<br>No. | Parties | Forum | Brief Description  | Amount<br>Involved |
|------------|---------|-------|--|--------------------|
|            |         |       | <p>December 02, 2011, for an amount of Rs.2,03,170/-. In relation to this, Greenply has filed its replies on January 02, 2014 and made online revision in respect thereof. At present the demand in respect of the aforementioned is Rs. 2,90,770/.</p> <p>(f) In respect of the 4<sup>th</sup> quarter of Financial Year 2010-11, return in Form-26Q, vide assessment notice dated May 08, 2012, subsequently corrected in the revised return vide acknowledgement. no 073689600001150 dated March 01, 2014, for an amount of Rs.580/-. In relation to the above, Greenply had filed its replies on January 02, 2014 and made online revision in respect thereof, pursuant to which the aforementioned demand has been withdrawn.</p> <p>(g) In respect of the 4<sup>th</sup> quarter of Financial Year 2011-12, return in Form-24Q, vide assessment notice dated February 12, 2013, subsequently corrected in the revised return vide acknowledgement. no 073689600001172 dated march 01, 2014, for an amount of Rs.1,95,080/-. In relation to the above, Greenply had filed its replies on January 02, 2014 and made online revision in respect thereof, pursuant to which the aforementioned demand has been withdrawn</p> |                    |

| Sr. No. | Parties | Forum | Brief Description  | Amount Involved |
|---------|---------|-------|--|-----------------|
|         |         |       | <p>(h) In respect of the 4<sup>th</sup> quarter of Financial Year 2011-12, return in Form-26Q, vide assessment notice dated February 12, 2013, subsequently corrected in the revised return vide acknowledgement. no 073689600001183 dated March 01, 2014, for an amount of Rs.22,180/-. In relation to the above, Greenply had filed its replies on January 02, 2014 and made online revision in respect thereof, pursuant to which the aforementioned demand has been withdrawn.</p> <p>(i) In respect of the 4<sup>th</sup> quarter of Financial Year 2011-12, return in Form-2&amp;EQ, vide assessment notice dated February 12, 2013, subsequently corrected in the revised return vide acknowledgement. no 073689600001205 dated March 01, 2014, for an amount of Rs.7,840/-. In relation to the above, Greenply had filed its replies on January 02, 2014 and made online revision in respect thereof, pursuant to which the aforementioned demand has been withdrawn</p> |                 |

**(2) Cases Filed by the Company**

| S. No.                        | Parties | Forum | Brief Description | Amount Involved (In Rs.) |
|-------------------------------|---------|-------|-------------------|--------------------------|
| <b>BEHROR UNIT, RAJASTHAN</b> |         |       |                   |                          |

| S. No. | Parties   | Forum  | Brief Description  | Amount Involved (In Rs.)                  |
|--------|---|--|--|---|
| 1.     | Deputy Commissioner of Customs (Group – I), Tughlakabad, Delhi and Greenlam   | Deputy Commissioner of Customs (Group – I), Tughlakabad, Delhi | An appeal has been filed by Greenply against denial of the grant of the benefit of concessional rate of duty to Greenply in terms of Notification No. 96/2008 (Cus.) dated August 13, 2008 for the bill of entry no. 8721286 dated February 10, 2012 in respect of import of plywood from Myanmar. The matter is currently pending.  | 12,00,000/-                               |
| 2.     | Greenlam, State of Rajasthan, the Commissioner, Commercial Tax, Rajasthan and the Assistant Commissioner, Commercial Taxes Department, Bhiwadi. | Supreme Court of India   | In addition to writ petition filed by other petitioners, a writ petition, bearing no. 84 of 2007, was filed by Greenply to challenge the constitutional validity of the provisions of the Rajasthan Tax on Entry of Goods into Local Areas Act, 1999. The Hon'ble Rajasthan High Court, vide its order dated January 21, 2011, had directed that recovery of tax in pursuance of assessment orders and demand notices that have been issued in the case of all petitioners, including, Greenply shall remain stayed on the condition of all petitioners, including Greenply depositing 50% of the assessed tax excluding any amount of penalty and/or interest imposed by the assessing authority. Subsequently, in view of a similar matter being pending before the Hon'ble Supreme Court of India, the Rajasthan High Court vide its order dated December 18, 2014, has dismissed the writ petitions and vacated all the stay orders. Against the aforementioned order of the High Court, a special leave petition (SLP) bearing number 4481/2015 before the Hon'ble Supreme Court of India has been filed, | Rs. 94,53,043/- (interest as applicable). |

| S. No. | Parties   | Forum   | Brief Description  | Amount Involved (In Rs.)               |
|--------|---|---|--|--|
|        |   |   | pursuant to which the Hon'ble Supreme Court has vide its order dated 13 February 2015 issued interim directions, the compliance in respect of which is in process of being undertaken.   |  |
| 3.     | Deputy Commissioner, Customs & Central Excise Division, Alwar, Rajasthan and Greenlam | Commissioner (Appeals), Customs & Central Excise Division, Alwar, Rajasthan | An appeal has been filed by Greenply against the order bearing OIO no. 191/R/2014 dated 28 August 2014 issued by Deputy Commissioner, Customs & Central Excise Division, Alwar, Rajasthan rejecting Greenply's refund/rebate claim of Rs. 3,90,641/- in respect of service tax paid by it for the period from July, 2013 to September, 2013 should not be rejected in view of clause (c) of Notification No. 41/2012-ST dated June 29, 2012. The said appeal is currently pending. | Rs. 3,90,641/-                         |
| 4.     | Assistant Commissioner, Circle-B, Commercial Taxes, Bhiwadi and Greenlam.             | Rajasthan Tax Board, Ajmer, Rajasthan                                       | An appeal has been filed by Greenply against the order passed by the Deputy Commissioner (Appeals), Commercial Taxes, Bharatpur on November 08, 2011 for the period of 2005-06. It has been submitted in the appeal by Greenply that the appellate authority erred in rejecting the appeal and upholding the order of the assessing authority disallowing the set-off claim of Greenply on account of payment of entry tax. The matter is currently pending.                       | Rs. 55,73,546/-                        |
| 5.     | RP and Greenlam   | Additional Chief Judicial Magistrate, Behror                                | RP entered into an agreement to sell without possession dated November 03, 2006 with Greenply (which agreement is registered in the office of the concerned Sub-registrar, Behror, Alwar, Rajasthan) in respect of   | Amount involved cannot be ascertained. |

| S. No.                                 | Parties  | Forum   | Brief Description   | Amount Involved (In Rs.)                               |
|--|--|---|---|--|
|  |  |   | sale of property bearing Plot No. E – 174 – 175, RIICO Industrial Area, Phase – II, Behror, District Alwar, Rajasthan by it to Greenply. Subsequently, a suit has been filed by Greenply against RP for seeking specific performance of the said agreement and seeking injunction against RP for the sale/disposal of the said property. The suit is currently pending.   |  |
| <b>NALAGARH UNIT, HIMACHAL PRADESH</b> |  |   |   |  |
| 6.                                     | Office of the Commissioner, Central Excise Commissionerate – I, Chandigarh (“OC, CE Commissionerate”) and Greenlam | Customs, Excise & Service Tax Appellate Tribunal, New Delhi | An order-in-original bearing no. CHD-CEX-001-COM-35-38 dated December 27, 2013 was passed by the OC, CE Commissionerate demanding that an amount of Rs. 13,21,65,574/- was leviable on and payable by Greenply for a period from June 2009 till February 28, 2013 along with additional interest and an equivalent amount of penalty of Rs. 13,21,65,574/- . The said demand was levied alleging that the resins manufactured by Greenply at its unit (viz. melamine formaldehyde resin and phenolic formaldehyde resin) for captive consumption (i.e., for further use in the manufacture of various laminated boards) is chargeable to central excise duty by virtue of such resins being: (a) comprising in the negative list to the area based notification, bearing no. 50/2003 and dated June 10, 2003; and (b) specifically excluded from the captive consumption notification, bearing no. 67/95-C.E. and dated March 16, 1995.<br><br>Against the said order, Greenply | Rs. 26,43,31,148/- (including, penalty) plus interest. |

| S. No. | Parties   | Forum  | Brief Description   | Amount Involved (In Rs.)              |
|--------|---|--|---|---------------------------------------|
|        |   |  | has, in its appeal dated March 31, 2014, denied all the allegations made therein in the order and has submitted, among other submissions, that: (i) such resins emerge during intermediate stage and is not a marketable commodity, thereby not constituting excisable goods; and (ii) the classification proposed by DGCEI and subsequently accepted by the OC, CE Commissionerate is incorrect. The Customs, Excise & Service Tax Appellate Tribunal, New Delhi has admitted the appeal and issued an interim order bearing order number SO/54117/2014-EX[DB] and dated 21 November 2014 directing the Company to deposit Rs. 1 (one) Crore (in respect of the pre-deposit balance amount) and that subject to deposit of the said amount, the pre-deposit of balance amount of duty and the entire amount of penalty shall be waived and its recovery stayed during the pendency of appeal. Pursuant to the aforementioned direction, the Company has made the deposit of the said Rs. 1 (one) Crore. The appeal is currently pending. |                                       |
| 7.     | Greenlam & Others<br>And State of Himachal Pradesh through Principal Secretary (Excise & Taxation) to the Government of Himachal Pradesh, Shimla-2 & Others | Hon'ble High Court of Himachal Pradesh, Shimla | In addition to the writ petitions filed by various petitioners, Greenply has filed a writ petition bearing CWP No. 841/2011 before the Hon'ble High Court of Himachal Pradesh challenging the constitutional validity of the Himachal Pradesh Tax on Entry of Goods into Local Areas Act, 2010 (" <b>HP Entry Tax Act</b> ").<br><br>The High Court had passed interim orders dated July 20, 2010 and July 30, 2010, directing that under the HP Entry  | Amount involved cannot be ascertained |

| S.<br>No. | Parties | Forum | Brief Description   | Amount<br>Involved<br>(In Rs.) |
|-----------|---------|-------|---|--------------------------------|
|           |         |       | <p>Tax Act, the collection of entry tax by the appropriate authorities from the petitioner companies will be enforced only after the assessment order is served on the assessee (petitioner companies). Further, as per the said interim orders, the High Court directed that, in respect of the assessed amount, the assessee (petitioner companies) were required to deposit one-third of the assessed amount and submit security in respect of the remaining two-third amount of the assessed liabilities to the satisfaction of the assessing authority.</p> <p>In light of certain petitions pending before the Supreme Court involving identical issues on challenge of constitutional validity of state laws on entry tax, the Hon'ble High Court of Himachal Pradesh, vide its order dated August 05, 2014, disposed of the writ petitions including Greenply's writ petition, with an observation that the writ petitioners shall abide by the judgment of the Supreme Court in respect of the matters pending before it read with the interim orders passed by the High Court. The High Court has, in its order, also stated that the writ petitioners may lay motion in terms of the judgment of the Supreme Court, in case need arises.</p> <p>In furtherance of the aforementioned order and the interim orders dated July 20, 2010 and July 30, 2010 passed by the High Court, Greenply has been depositing the requisite amount and has been procuring the bank guarantee in favour of the government authority.</p> |                                |

| S. No.   | Parties                              | Forum  | Brief Description   | Amount Involved (In Rs.) |
|--|--------------------------------------|--|---|--------------------------|
| <b><i>CASES INVOLVING DISHONOUR OF CHEQUES</i></b> |                                      |  |   |                          |
| 8.   | S.F.Z Enterprises (“SFZ”) & Greenlam | Fast Track Court-III at Saidapet, Chennai                | In relation to a specified quantity of laminates supplied by Greenply to SFZ on 20 June 2007, Greenply had raised invoice(s) of Rs. 3,06,762/- to SFZ. In respect of the said amount, SFZ had issued cheques dated 24 November 2007 and 31 December 2007 aggregating to amount of Rs. 2,00,000/-, which cheques were dishonored by the Allahabad Bank, T.Nagar Branch, Chennai. Greenply issued a notice under Section 138 of NI Act to SFZ for payment of the invoiced amount. Subsequently, on account of SFZ’s failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against SFZ by filing complaint bearing CC No. 10329 of 2008 before the Fast Track Court-III, Saidapet, Chennai. At present the criminal proceedings are pending. | Rs. 2,00,000/-           |
| 9.   | M/S Jos Wood Arts (“JWA”) & Greenlam | Metropolitan Magistrate, 13 <sup>th</sup> Court, Kolkata | In relation to a specified quantity of veneer supplied by Greenply to JWA on 13 October 2010 and 8 December 2010, Greenply had raised invoice(s) of Rs. 5,13,684/- and Rs. 3,76,046/- respectively to JWA. In respect of the said amount, JWA had issued two cheques both dated 2 March 2011 for a total amount of Rs. 4,47,353/- which was deposited with Standard Chartered Bank, N.S Road Branch, Kolkata and drawn on the State Bank of Travancore, Edapally, which cheques were dishonored. Greenply issued a notice under Section 138 of NI Act to JWA for payment of the invoiced  | Rs. 4,47,353/-           |



| S. No. | Parties  | Forum  | Brief Description   | Amount Involved (In Rs.) |
|--------|--|--|---|--------------------------|
|        |  |  | amounts. Subsequently, on account of JWA's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against JWA by filing complaint no. 25948 of 2011 before the Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata, who by an order dated 15 September 2014 directed that the complaint be transferred to the appropriate court at Travancore. At present, appropriate steps are being taken to institute criminal proceedings at Travancore, Further, Greenply has filed a criminal complaint bearing no. 13914/2012 under Section 200 of Code of Criminal Procedure before the Metropolitan Magistrate, 13 <sup>th</sup> Court, Kolkata against JWA for recovery of the abovementioned invoiced amount At present the said criminal complaint is pending. |                          |
| 10.    | M/S Gajanan Glass & Plywood ("GGP") & Greenlam | XII Additional Chief Metropolitan Magistrate, Bengaluru, Karnataka | In relation to a specified quantity of products supplied by Greenply to GGP, Greenply had raised invoice(s) of Rs. 7,43,321 to GGP. In respect of the said amount, GGP had issued two cheques dated 26 November 2008 and 29 November 2008 for a total amount of Rs. 3,88,321/-, which was dishonored by the State Bank of Mysore, Belgaum. Greenply issued a notice under Section 138 of NI Act to GGP for payment of the invoiced amount. Subsequently, on account of GGP's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against GGP by filing complaint nos. 3194/2009 and 9226/2010 before  | Rs. 3,88,321/-           |

| S. No. | Parties                                | Forum  | Brief Description   | Amount Involved (In Rs.) |
|--------|--|--|---|--------------------------|
|        |  |  | the XII Additional Chief Metropolitan Magistrate, Bengaluru, Karnataka. At present the criminal proceedings are pending.  |                          |
| 11.    | M/S Dhammur Agencies ("DA") & Greenlam | Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata | In relation to laminates supplied by Greenply to DA, Greenply had raised various invoices from time to time, Greenply had raised invoice(s) in respect of which a sum of Rs. 3,09,424/- was outstanding. In respect of the said amount, DA had issued a cheque dated 15 February 2012 for an amount of Rs. 3,09,424, which was drawn on Punjab National Bank, Gulbarga Branch, Karnataka and deposited with and dishonored by Standard Chartered Bank, N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to DA for payment of the said outstanding amount. Subsequently, on account of DA's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against DA by filing petition no. 7385 of 2012 before the Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata on 3 May 2012. Although, DA has made payment of Rs. 2,62,401/-, an amount of Rs. 47,021/- remains outstanding. Further, vide order dated 8 December, 2014, the Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata has directed that the complaint be filed with the court having appropriate jurisdiction to deal with the matter. At present, the said criminal proceedings are in the process of being instituted before the court with appropriate jurisdiction. | Rs. 47,021/-             |

| S. No. | Parties   | Forum  | Brief Description  | Amount Involved (In Rs.) |
|--------|---|--|--|--------------------------|
| 12.    | M/S Highway Trading Private Limited (“HTPL”) & Greenlam | Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata | In relation to veneers supplied by Greenply to HTPL, Greenply had raised various invoices from time to time against which a sum of Rs. 1,72,926/- was outstanding. In respect of the said amount, HTPL had issued a cheque dated 30 June 2012 for an amount of Rs. 1,25,000/- drawn on State Bank of India, SME Branch, Janpath Road, Bhubaneswar and deposited with and dishonored by Standard Chartered Bank, N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to HTPL for payment of the invoiced amount. Subsequently, on account of HTPL’s failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against HTPL by filing complaint no. 22816 of 2012 before the Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata, which subsequently passed an order dated 17 December 2014 directing that the complaint be filed before the court having appropriate jurisdiction to deal with the matter. At present, the said criminal proceedings are in the process of being instituted before the court with appropriate jurisdiction. | Rs. 1,25,000/-           |
| 13.    | M/S Tirupati Traders (“TT”) & Greenlam                  | Metropolitan Court, 16 <sup>th</sup> Court, Kolkata      | In relation to a specified quantity of products supplied by Greenply to TT, Greenply had raised various invoices to TT for various amounts. For payment of the remaining amounts so invoiced, TT had issued post-dated cheques dated 30 June 2012 for an amount of Rs. 34,82,953/-, which was drawn on Indian Bank, Muzaffarpur Branch and deposited with and dishonored by Standard Chartered Bank, N.S. Road,  | Rs. 6,43,000/-           |

| S. No. | Parties                            | Forum   | Brief Description  | Amount Involved (In Rs.) |
|--------|------------------------------------|---|--|--------------------------|
|        |                                    |   | Kolkata. Greenply issued a notice under Section 138 of NI Act to TT for payment of the invoiced amount. Subsequently, on account of TT's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against TTP by filing complaint no. 24163 of 2012 before Metropolitan Magistrate, 16 <sup>th</sup> Court, Kolkata. Greenply has received part payment of certain amounts and at present an amount of Rs. 6,43,000/- is still outstanding. At present the criminal proceedings are pending.  |                          |
| 14.    | M/S Shiv Traders ("ST") & Greenlam | Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata | In relation to supply of laminates supplied by Greenply to ST, Greenply had raised various invoices from time to time in respect of which an amount of Rs. 1,48,304/- was outstanding. In respect of the said amount, ST had issued a cheque dated 7 December 2012 for an amount of Rs. 1,48,304/-, which was drawn on Shree Bharat Co-operative Bank Limited, R.C Dutta Road and deposited with and dishonored by Standard Chartered Bank, N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to ST for payment of the said amount. Subsequently, on account of ST's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against ST by filing complaint no. 8281 of 2013 before Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata. At present the criminal proceedings are pending. | Rs. 1,48,304/-           |

| S. No. | Parties                                      | Forum   | Brief Description   | Amount Involved (In Rs.) |
|--------|--|---|---|--------------------------|
| 15.    | Bhawani Sales Corporation ("BSC") & Greenlam | Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata | In relation to supply of laminates by Greenply to BSC, Greenply had raised various invoices from time to time in respect of which a sum of Rs. 4,04,174/- was outstanding. In respect of the said amount, BSC had issued a cheque dated 4 February 2013 for an amount of Rs. 4,04,174/-, which was drawn on Punjab National Bank, Radhepuri, Delhi and deposited with and dishonored by Standard Chartered Bank, N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to BSC for payment of the said amount. Subsequently, on account of BSC's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against BSC by filing complaint no. 11694 of 2013 before Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata, which subsequently passed an order dated 6 December, 2014 directing that the complaint be filed with the court having appropriate jurisdiction to deal with the matter. Consequently, criminal proceedings before the court with relevant jurisdiction have been instituted and the same is currently pending. | Rs. 4,04,174/-           |
| 16.    | M/S SS Laminates ("SSL") & Greenlam          | Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata | In relation to supply of laminates by Greenply to SSL, Greenply had raised various invoices from time to time in respect of which a sum of Rs. 1,69,533.38/- to SSL. In respect of the said amount, SSL had issued a cheque dated 29 January 2013 for an amount of Rs. 1,69,533.38/-, which was drawn on TamilNad Mercantile Bank, DB Road, Coimbatore and deposited with and dishonored by Standard Chartered Bank,  | Rs. 1,69,533.38/-        |

| S. No. | Parties                                       | Forum  | Brief Description  | Amount Involved (In Rs.) |
|--------|---|--|--|--------------------------|
|        |   |  | N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to SSL for payment of the invoiced amount. Subsequently, on account of SSL's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against SSL by filing complaint no. 11694 of 2013 before Metropolitan Magistrate, 7 <sup>th</sup> Court, Kolkata, which subsequently issued an order dated 6 December, 2014 directing that the complaint be filed with the court having appropriate jurisdiction to deal with the matter. Consequently, criminal proceedings before the court with relevant jurisdiction have been instituted and the same is currently pending.   |                          |
| 17.    | Farwood Industries Limited ("FIL") & Greenlam | Metropolitan Magistrate, 18 <sup>th</sup> Court, Kolkata | In relation to supply of laminates by Greenply to FIL, Greenply had raised various invoices from time to time in respect which an amount of Rs. 3,13,251/- was outstanding. In respect of the said amount, FIL had issued a cheque dated 28 May 2013, which was drawn on State Bank of India, Kasturba Nagar, Chennai and deposited with and dishonored by Standard Chartered Bank, N.S. Road, Kolkata. Greenply issued a notice under Section 138 of NI Act to FIL for payment of the invoiced amount. Subsequently, on account of FIL's failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against FIL by filing complaint no. 29046 of 2013 before Metropolitan Magistrate, 18 <sup>th</sup> Court, Kolkata. Though the said outstanding | NIL                      |

| S. No. | Parties                                    | Forum  | Brief Description  | Amount Involved (In Rs.) |
|--------|--|--|--|--------------------------|
|        |  |  | amount has been paid by FIL, at present criminal proceedings are in the process of being withdrawn.  |                          |
| 18.    | M/S Sai Vaibhav Traders (“SVT”) & Greenlam | Metropolitan Magistrate, 18 <sup>th</sup> Court, Kolkata | In relation to supply of laminates by Greenply to SVT, Greenply had raised various invoices from time to time in respect of which an amount of Rs. 3,83,833/- was outstanding. In respect of the said amount, SVT had issued a cheque dated 21 March 2013 for an amount of Rs. 3,83,833/- which cheque was dishonored. Greenply issued a notice under Section 138 of NI Act to SVT for payment of the said amount. Subsequently, on account of SVT’s failure to make payment to Greenply during the notice period under the NI Act, Greenply instituted criminal proceedings against SVT by filing complaint no. 29045 of 2013 before Metropolitan Magistrate, 18 <sup>th</sup> Court, Kolkata, which subsequently passed an order dated 17 November 2014 directing that the complaint be filed with the court having appropriate jurisdiction to deal with the matter. Consequently, criminal proceedings before the court with relevant jurisdiction have been instituted and the same is currently pending. | Rs. 3,83,833/-           |

**B. Litigations involving the Promoter and Promoter Group**

**(1) Cases filed against Mr. Shiv Prakash Mittal**

| Sr. No. | Parties   | Forum  | Brief Description  | Amount Involved |
|---------|---|--|--|-----------------|
| 1.      | Deputy Commissioner Of Income Tax, Central Circle - | Income Tax Appellate Tribunal, ‘B’ Bench, Kolkata Branch | During the course of assessment of the income of Mr. Shiv Prakash Mittal for the assessment year | Rs. 56,05,862/- |

|  |  |  |   |  |
|--|--|--|---|--|
|  | XI, Kolkata<br>&<br>Shiv Prakash<br>Mittal |  | <p>2011-12, the Income Tax Department alleged certain undisclosed investment in jewelry amounting to Rs. 56,05,862/-. Mr. Shiv Prakash Mittal submitted that the said jewelry belonged to Shiv Prakash Mittal (HUF) and not to him personally. In view of difference in the weight of the said jewelry under the Income Tax Department's valuation report and that of the Mr. Shiv Prakash Mittal's valuation report, an assessment order dated March 21, 2013 under Section 143(3) read with Sections 153B(b) and 153D of Income Tax Act was passed by the Deputy Commissioner Of Income Tax, Central Circle -XI, Kolkata, adding an amount of Rs. 56,05,862/- (Rupees Fifty Six Lakhs Five Thousand Eight Hundred and Sixty Two) as undisclosed investment in respect of the difference in the aforementioned two valuation reports.</p> <p>Against the said order, Mr. Shiv Prakash Mittal filed an appeal dated 18 April 2013 before the Commissioner Of Income Tax (Appeals) – C-1, Kolkata, which by its order dated 14 February 2014 allowed the appeal and directed the deletion of the the said amount of Rs. 56,05,862/- from being assessed as investment. Against the said appellate order, the Deputy Commissioner Of Income Tax, Central Circle -XI, Kolkata has filed an appeal dated 1 May, 2014 before the Income Tax Appellate Tribunal, 'B' Bench,</p> |  |
|--|--|--|---|--|



|  |  |  |   |  |
|--|--|--|---|--|
|  |  |  | Kolkata Branch. At present, the said appeal is pending. |  |
|--|--|--|---|--|

(2) Cases Filed Against Mr. Saurabh Mittal

| Sr. No. | Parties  | Forum  | Brief Description  | Amount Involved   |
|---------|--|--|--|-------------------|
| 1.      | Deputy Commissioner Of Income Tax, Central Circle - XI, Kolkata & Saurabh Mittal | Income Tax Appellate Tribunal, 'B' Bench, Kolkata Branch | During the course of assessments for the assessment years 2009-10, 2010-11 and 2011-12 respectively, the Income Tax Department in its assessment orders dated 25 March 2013, added the following sums: (i) in respect of the assessment year 2009-10, an amount of Rs. 1,94,99,464/- as undisclosed income in place of Rs. 1,94,994/- disclosed by Mr. Saurabh Mittal under Section 132(4) of Income Tax, 1961; (ii) in respect of the assessment year 2010-11, an amount of Rs. 1,37,89,000/- as undisclosed income in place of Rs. 1,37,890/- as disclosed by Mr. Saurabh Mittal under Section 132(4) of Income Tax, 1961; and (iii) in respect of the assessment year 2011-12, an amount of Rs. 43,45,000/- as undisclosed income in place of Rs. 43,450/- as disclosed by Mr. Saurabh Mittal under Section 132(4) of Income Tax, 1961. In respect of the said assessment orders, Mr. Saurabh Mittal filed appeals dated 18 April 2013 before the Commissioner Of Income Tax (Appeals) – C-I, Kolkata, which in its order dated 25 February 2014 allowed the appeals and directed the Assessing | Rs. 3,72,57,130/- |

| Sr. No. | Parties | Forum | Brief Description   | Amount Involved |
|---------|---------|-------|---|-----------------|
|         |         |       | Officer to delete the additions of the said undisclosed income from its assessments. Against the said appellate order, the Deputy Commissioner Of Income Tax, Central Circle - XI, Kolkata has filed an appeal on 1 May 2014 before the Income Tax Appellate Tribunal, 'B' Bench, Kolkata Branch. At present, the said appeal is pending. |                 |

**(3) Cases Filed by Himalaya Granites Limited**

| Sr. No. | Parties   | Forum  | Brief Description  | Amount Involved |
|---------|---|--|--|-----------------|
| 1.      | Assistant Commissioner Of Income Tax, Circle -5,Kolkata and Himalaya Granites Limited (" <b>Himalaya</b> ") | Commissioner of Income Tax (Appeals) -V, Kolkata | The Assistant Commissioner of Income Tax, Circle-5, Kolkata passed an assessment order in respect of the assessment year 2007-08 under Section 144(3) read with Section 115 WE (3) of the Income Tax Act against Himalaya on 31 December 2009 disallowing (i) the depreciation in respect of assets comprised of quarry land and development aggregating to Rs. 66, 13, 244/-; and (ii) administrative expenses relating to exempt income under Section 14A of Income Tax, 1961 aggregating to Rs. 8,77,196/-. Against the said order, Himalaya has filed an appeal dated 28 January 2010, before the Commissioner (Appeals) - V, Kolkata. At present, the said appeal is pending. | Rs. 74,90,440/- |
| 2.      | Deputy Commissioner of Income Tax,  | Commissioner of Income Tax (Appeals) -VI,        | The Deputy Commissioner of Income Tax, Circle-5, Kolkata passed an   | Rs. 84,78,824/- |

| Sr. No. | Parties                      | Forum   | Brief Description   | Amount Involved |
|---------|------------------------------|---------|---|-----------------|
|         | Circle -5,Kolkata & Himalaya | Kolkata | assessment order on 16 December 2010 under Section 143(3) of the Income Tax Act against Himalaya disallowing (i) the depreciation in respect of assets comprised of quarry land and development aggregating to Rs. 68, 16, 499/-; (ii) unpaid liabilities of bonus aggregating to Rs. 7, 03, 348/- under Section 43B of Income Tax Act; and (iii) delayed deposit of employees' contribution to provident fund aggregating to Rs. 7, 96,477/- Section 43B of Income Tax Act, for the assessment year 2008-09. Against the said order, Himalaya has filed an appeal on 27 January 2011, before the Commissioner of Income Tax (Appeals)-VI, Kolkata. At present, the said appeal is pending. |                 |

**(4) Cases Filed against Himalaya Granites Limited**

| Sr. No. | Parties  | Forum   | Brief Description   | Amount Involved |
|---------|--|---|---|-----------------|
| 1.      | Deputy Commissioner Of Income Tax,Circle -XI, Kolkata & Himalaya | Income Tax Appellate Tribunal, 'C' Bench, Kolkata | In respect of the assessment year 2002-03, the original assessment was completed by the Assessing Officer on 1 September 2004, assessing the total income of Himalaya to be amounting to Rs. 12,57,408/-. Subsequently, the assessing officer re-opened the assessment proceedings on 19 September 2007 and passed an assessment order dated 31 December 2008 under Section 147 read with Section 143(3) in respect of the said reassessment, assessing the total income for the assessment year 2002-03 to be amounting to Rs. | Rs. 30,24,334/- |

| Sr. No. | Parties   | Forum   | Brief Description   | Amount Involved    |
|---------|---|---|---|--------------------|
|         |   |   | 42,81,742/-. Against the said reassessment order, Himalaya filed an appeal dated 2 February 2009 before the Commissioner of Income Tax (Appeals), Central-III, Kolkata, which in its order dated 31 March 2014 allowed the appeal and annulled the reassessment by quashing the reassessment order. Against the said appellate order, the assessing officer has filed an appeal dated 5 June 2014 before the Income Tax Appellate Tribunal, 'C' Bench, Kolkata Branch. At present, the said appeal is pending.  |                    |
| 2.      | Deputy Commissioner Of Income Tax, Circle -XI, Kolkata & Himalaya | Income Tax Appellate Tribunal, 'C' Bench, Kolkata | <p>In respect of the assessment year 2003-04, the original assessment was completed by the Assessing Officer on 7 March 2006, assessing the total income of Himalaya to be NIL. Subsequently, the assessing office re-opened the assessment proceedings and passed an assessment order dated 31 December 2008 under Section 263 read with Section 143(3) of Income Tax, 1961 in respect of the said reassessment, assessing the total income for the assessment year 2003-04 to be amounting to Rs. 39,17,810/-.</p> <p>Against the said reassessment order, Himalaya filed an appeal dated 2 February 2009 before the Commissioner of Income Tax (Appeals), Central-III, Kolkata, which in its order dated 7 April 2014 allowed the appeal and allowed relief of an amount of Rs. 36,30,721/- Himalaya in the following manner: (i) relief in respect of depreciation of quarry land &amp;</p> | Rs. Rs.36,30,721/- |

| Sr. No. | Parties   | Forum               | Brief Description   | Amount Involved |
|---------|---|---------------------|---|-----------------|
|         |   |                     | <p>development, amounting to Rs. 28,70,141/-; and (ii) relief in respect of computation of deduction under Section 80HHC of Income Tax, 1971, amounting to Rs. 7,60,580/-.</p> <p>Against the said appellate order, the assessing officer has filed an appeal dated 5 June 2014 before the Income Tax Appellate Tribunal, 'C' Bench, Kolkata Branch. At present, the said appeal is pending.</p>  |                 |
| 3.      | Commissioner of Income Tax, Kolkata-II & Himalaya | Calcutta High Court | <p>In respect of the assessment year 2004-05, the Assistant Commissioner of Income Tax, Central Circle-II, Kolkata passed an assessment order dated 28 December 2006 under Section 143 of Income Tax Act determining the total income as Rs. 25,93,565/-, which assessment order was set aside by the Commissioner of Income Tax, Central-III, Kolkata vide its order dated 23 January 2009 on the grounds of that in respect of the assessment excess deduction was allowed under Section 80HHC amounting to Rs. 6,07,751/- by taking into account net interest instead of gross interest.</p> <p>Against the said order of the Commissioner of Income Tax, Central-III, Kolkata, Himalaya filed an appeal dated before the Income Tax Appellate Tribunal, 'C' Bench, Kolkata. The Income Tax Appellate Tribunal, 'C' Bench, Kolkata by its order bearing appeal no. I.T.A No. 231/Kol/2009 dated 4 September 2009 allowed the appeal filed by Himalaya and quashed the order of the</p> | Rs. 6,07,751/-  |

| Sr. No. | Parties   | Forum   | Brief Description   | Amount Involved |
|---------|---|---|---|-----------------|
|         |   |   | Commissioner of Income Tax, Central-III, Kolkata. Against the said order, the Commissioner of Income Tax, Central-III, Kolkata has filed an appeal bearing Income Tax Appeal No. 31 of 2010 before the Calcutta High Court.   |                 |
| 4.      | Deputy Commissioner of Income Tax, Circle -XI, Kolkata & Himalaya | Income Tax Appellate Tribunal, 'C' Bench, Kolkata | <p>In respect of the assessment year 2005-06, the original assessment was completed by the Assessing Officer on 31 December 2007, assessing the total income of Himalaya to be amounting to Rs. 85,22,450/-. Against the said assessment order, Himalaya filed an appeal dated 21 January 2008 before the Commissioner of Income Tax (Appeals), Central-III, Kolkata, which in its order under Section 250(6) dated 7 April 2014 allowed the appeal granting relief to Himalaya to an extent of Rs. 23,92,882/- in the following manner: (i) relief in respect of depreciation of quarry land &amp; development, amounting to Rs. 23,45,752/-; and (ii) relief in respect of computation of deduction under Section 14A of Income Tax, 1961, amounting to Rs. 47,130/-.</p> <p>Against the said appellate order, the assessing officer has filed an appeal dated 5 June 2014 before the Income Tax Appellate Tribunal, 'C' Bench, Kolkata Branch. At present, the said appeal is pending.</p> | Rs. 23,92,882/- |
| 5.      | Deputy Commissioner Of Income Tax, Circle -XI, Kolkata            | Income Tax Appellate Tribunal, 'C' Bench, Kolkata | In respect of the assessment year 2006-07, the original assessment was completed by the Assessing Officer on 31 December 2008, assessing  | Rs. 21,24,489/- |

| Sr.<br>No. | Parties       | Forum | Brief Description   | Amount<br>Involved |
|------------|---------------|-------|---|--------------------|
|            | &<br>Himalaya |       | <p>the total income of Himalaya to be amounting to Rs. 1,18,91,480/-. Against the said assessment order, Himalaya filed an appeal dated 2 February 2009 before the Commissioner of Income Tax (Appeals), Central-III, Kolkata, which in its order under Section 250(6) dated 7 April 2014 allowed the appeal granting relief to Himalaya to an extent of Rs. 21,24,489/- in respect of assets comprised in quarry land and development amounting.</p> <p>Against the said appellate order, the assessing officer has filed an appeal dated 5 June 2014 before the Income Tax Appellate Tribunal, 'C' Bench, Kolkata Branch. At present, the said appeal is pending.</p> |                    |

## **XXII. GOVERNMENT APPROVALS**

On transfer of the Demerged Undertaking of Greenply to our Company under the Scheme, all permits, rights, entitlements, bids, tenders, registration and other licences, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), patent, trademarks, copyrights, records, designs, and all relevant intellectual property rights in the aforesaid, municipal permissions, approvals, consents, subsidies, tenancies in relation to the offices, and/or residential properties for the employees, privileges, income tax benefits and exemptions under the Income Tax Act (or any statutory modification or reenactment thereof for the time being in force), all other rights including sales tax deferrals and exemptions and other benefits, lease rights and the rights in relation thereto, receivables, and liabilities related thereto, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking stand transferred to and vested in or be deemed to be transferred to and vested in our Company as if the same were originally given or issued to or executed in favour of our Company, and the rights and benefits under the same shall be available to our Company.

Our Company was incorporated under the Companies Act and has the following registrations:

- **CIN:** U21016AS2013PLC011624
- **PAN:** AAFCG2966D
- **TAN:** DELG16365G



## **SECTION VII - REGULATORY AND STATUTORY DISCLOSURES**

### **XXIII. REGULATORY AND OTHER DISCLOSURES**

**(a) Authority for the Scheme**

The Hon'ble Gauhati High Court, vide its Order dated 31 October 2014 has sanctioned the Composite Scheme of Arrangement.

**(b) Prohibition by SEBI**

Our Company, Promoter and Promoter Group, Directors and Group Companies and natural persons behind our companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

**(c) Caution**

Our Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circulars or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**(d) Disclaimer-NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has by its letter dated 25 March 2014 has given its 'no-objection' to the Composite Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that approval, NSE's name has been inserted in this Information Memorandum as one of the stock exchanges on which the Equity Shares are proposed to be listed.

NSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that the Company's securities will be listed or will continue to be listed on NSE; or
- take any responsibility for the financial or other soundness of the Company.

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by NSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss, which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever

**(e) Disclaimer-BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has by its letter dated 25 March 2014 has given its 'no-objection' to the Composite Scheme of

Arrangement under clause 24(f) of the Listing Agreement and by virtue of that approval, BSE's name has been inserted in this Information Memorandum as one of the stock exchanges on which the Equity Shares are proposed to be listed.

BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that the Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company.

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by BSE.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss, which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**(f) Filing**

This Information Memorandum has been filed with BSE and NSE.

**(g) Listing**

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. Our Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

**(h) Identification as willful defaulter by RBI**

Our Company, Promoter, Group Companies, the relatives (as per Companies Act) of Promoter, Group Companies have not been identified as wilful defaulters by Reserve Bank of India or other authorities.

**(i) Demat Credit**

Our Company has executed tripartite agreement dated 18 November 2014 with the Registrar & Share Transfer Agent and NSDL and tripartite agreement dated 5 November 2014 with Registrar & Share Transfer Agent and CDSL for admitting its securities in demat form.

**(j) Expert Opinions**

Save as stated elsewhere in this Information Memorandum, the Company has not obtained any expert opinions.

**(k) Promise vis-à-vis performance**

Our Company has not made any prior public or rights issue of securities.

**(l) Previous Rights and Public Issues**

The Company has never made any public issue, rights issue of equity shares since incorporation.

**(m) Commission and brokerage on previous issues**

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

**(n) Outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

**(o) Stock Market Data for Equity Shares**

The Equity Shares are not listed on any stock exchange. The Company is seeking approval from the Stock Exchanges for listing of its Equity Shares through this Information Memorandum.

**(p) Allotment of shares pursuant to the Scheme**

Our Company has issued and allotted Equity Shares on 29 November 2014 to eligible shareholders pursuant to the Scheme. The allotment advice and share certificates, where applicable, were dispatched to the shareholders.

**(q) Mechanism for redressal of investor grievance of Promoter and Group Companies**

**Himalaya Granites Limited**

Himalaya Granites Limited has Stakeholders' Relationship committee which meets as and when required, to deal with matters relating to transfer/transmission of shares, issue of duplicate share certificates, dematerialization/rematerialisation of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of Annual Reports, non-receipt of dividend declared, etc.

Investor grievances are generally resolved within an average period of 15 days from the date of its receipt.

Himalaya Granites Limited doesn't have any outstanding complaints from the Investors as on 31 March 2014.

Status of outstanding complaints from the Investor(s) of Himalaya Granites Limited for the period from 1 April 2014 till 30 September 2014 is as under:

Complaints received: Nil  
Redressed/ Resolved: Nil  
Pending: Nil

**Disposal of Investor Grievance of our Company**

Link Intime (India) Limited are the Registrar and Share Transfer Agents of our Company. All investor grievances would be redressed within an average period of 15 days from the date of its receipt by our Company or its Share Transfer Agent. Investors can contact our Company's Share Transfer Agent or the Compliance Officer or the Secretarial Department of our Company in case of any share transfer related problem. The addresses and contact numbers are given elsewhere in this Information Memorandum. For quicker response, investors are requested to mention their contact numbers and email addresses while communicating their grievances.

Our Company has appointed Mr. Prakash Kumar Biswal, as the Company Secretary and Compliance Officer of our Company and he may be contacted in case of any queries at the following address:

**Address:** M/s. Greenlam Industries Limited,  
1501-1505, Narain Manzil,  
23, Barakhamba Road, New Delhi – 110001  
**Phone:** 011-42791399  
**Fax:** 011-42791330  
**Email:** investor.relations@greenlam.com

**Registrar and Share Transfer Agent:** Link Intime India Pvt. Ltd,  
**Address:** 44, Community Centre, Phase-I,  
Near PVR, Naraina Ind. Area, New Delhi-110028,  
**Phone:** +91 11 4141 0592,  
**Fax:** +91 11 4141 0591,  
**Email:** [vishwa.joshi@linkintime.co.in](mailto:vishwa.joshi@linkintime.co.in)

## **XXIV. ARTICLES OF ASSOCIATION**

### **THE COMPANIES ACT, 2013**

#### **COMPANY LIMITED BY SHARES** (Incorporated under the Companies Act, 1956)

### **ARTICLES OF ASSOCIATION**

#### **OF**

### **GREENLAM INDUSTRIES LIMITED**

*The following regulations comprised in these Articles of Associations were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 30<sup>th</sup> October, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Associations of the Company except for Article 127 which has been re-numbered as Article 174.*

The regulations contained in table "F" of the first Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be the regulations for the management of the Company.

#### **SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL**

##### *Amount of Capital*

3. The authorized share capital of the Company shall be the Capital as specified in Clause V of the memorandum of association, with 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 as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

##### *Increase of Capital by the Company and how carried in to effect*

4. Subject to Applicable Law, the Board may, from time to time, increase the Capital by the creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

##### *New Capital part of the existing Capital*

5. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### ***Issue of redeemable preference shares***

6. Subject to the provisions of Section 55 of the Act and other Applicable Law, preference shares may be issued from time to time, on the terms as may be decided at the time of the issue. Further,
  - 6.1 Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;
  - 6.2 The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;
  - 6.3 The Board may decide on any premium on the issue or redemption of preference shares.
7. ***Provisions applicable to other Securities:*** The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

### ***Reduction of Capital***

8. The Company may (subject to the provisions of Sections 52, 55, 66, of the Act or any other applicable provisions of law for the time being in force) from time to time by way of Special Resolution reduce its Capital, any capital redemption reserve account or share premium account in any manner for the time being authorized by law.

### ***Sub-division, consolidation and cancellation of Shares***

9. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum of association and the resolution whereby any Share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, Capital or otherwise over or as compared with the other.

Provided however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced share is derived.

Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

### ***Modification of rights***

10. Whenever the Capital is divided into different types or classes of Shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections

48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall *mutatis mutandis* apply to every such class Meeting, but so that the quorum thereof shall be any two members present in person. This Article is not to derogate any power the Company would have if the clause were omitted.

### ***Further issue of Capital***

11. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further Shares, then:
  - 11.1 Such further Shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
  - 11.2 Such offer shall be made by a notice specifying the number of shares offered and limiting the time as per the applicable provisions of the Act and subject to the Applicable Law from time to time and the offer if not accepted within that time limit, will be deemed to have been declined.
  - 11.3 The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred above shall contain a statement of this right.
  - 11.4 After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
12. Notwithstanding anything contained in the Article no. 0 the further Shares aforesaid may be offered in any manner whatsoever, to:
  - 12.1 employees under a scheme of employees' stock option scheme
  - 12.2 to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article no. 0, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.
13. Nothing in Article no. 12.2 hereof shall be deemed;
  - 13.1 To extend the time within which the offer should be accepted; or
  - 13.2 To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
14. Nothing in this Article shall apply to the increase of the subscribed Capital of the Company:
  - 14.1 caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into shares in the Company;
  - 14.2 Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or

the raising of loan by a Special Resolution passed by the Company in General Meeting.

***Shares at the disposal of the Directors***

15. Subject to the provisions above, and of Section 62 of the Act, the Shares and Securities of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company or other Securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
16. If the Company shall offer any of its Shares to the public for subscription the amount payable on application on each Share shall not be less than such amount as may be prescribed under Applicable Law.

***Power to issue Shares outside India***

17. Pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as “Appropriate Authorities”) and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, equity Shares and/or any instruments or Securities (including Global Depository Receipts) representing equity Shares, any such instruments or securities being either with or without detachable warrants attached thereto entitling the warrant holder to Equity Shares/instruments or securities (including Global Depository Receipts) representing equity Shares, (hereinafter collectively referred to as “the Securities”, for the purpose of this Article) to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with lead manager and/or underwriters and/or legal or other advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

***Acceptance of Shares***

18. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a Member.

***Restriction on purchase or in giving loans by Company for purchase of its own Securities***



19. Except as provided in these Articles, none of the funds of the Company shall be employed in giving, directly or indirectly, any financial assistance for the purpose of any purchase or subscription of Securities of the Company, except as permitted by Section 70 of the Act.

#### ***Private placement***

20. The Board may, from time to time, offer any Securities on private placement basis, to such persons as the Board may determine, provided that such private placement shall comply with Applicable Law.

#### ***Call to be a debt payable immediately***

21. The money (if any) which the Board shall, on the allotment of any Security being made by them require or direct to be paid by way of call or otherwise in respect of any Security allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Securities, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

#### ***Liability of Members***

22. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

#### ***Register of Members and index***

25. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
26. A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the company secretary from time to time.
27. Such person, as referred to in Article no. 0 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

### **SHARES CERTIFICATES**

#### ***Share certificate to be numbered progressively***

29. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company. Every forfeited or surrendered share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that, the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.

***Limitation of time for issue of certificates***

30. Every Member, other than a Beneficial Owner, shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates, within such time permissible under Applicable Law, from the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate(s) of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon, provided that in respect of Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of such certificate of Share(s) to the person first named in the register shall be a sufficient delivery to all such holders.

***Issue of new certificate in place of one defaced, lost or destroyed***

31. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or any Committee authorized by the Board in this regard and only on furnishing of such supporting evidence and/or indemnity as the Board or such Committee may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Directors shall prescribe.

Provided further that all instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Director may decline to register shall be returned to the person depositing the same.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.

32. The provision of this Article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company.

### **BUY BACK OF SECURITIES BY THE COMPANY**

33. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68, 69 and 70 of the Act and Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

### **UNDERWRITING AND BROKERAGE**

#### ***Commission may be paid***

34. Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of Debentures, two and a half per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.

#### ***Brokerage***

The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities.

### **CALL ON SHARES**

#### ***Directors may make calls***

35. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him in the manner and at the times and places appointed by the Board of Directors. A call may be made payable by installment.

#### ***Uniform conditions as to Calls, etc.***

36. Where any calls for further share Capital are made on Shares, such calls shall be made on a uniform basis on all Shares falling under the same class.

#### ***Notice of calls***

37. Each Member shall, subject to receiving at least fourteen days' notice specifying the time or such other time as may be permitted by Applicable Law or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
38. A call may be revoked or postponed at the discretion of the Board.

***Calls to date from resolution***

39. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed as provided herein and may be required to be paid by installments. Every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the Share or by his legal representative.

***Calls to carry interest***

41. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the last day appointed for the payment thereof to the time of actual payment at such rate as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such Member.
42. The Board shall be at liberty to waive payment of any such interest wholly or in part.

***Sums deemed to be calls***

43. Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

***Proof on trial of suit for money due on Shares***

44. At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

***Partial payment not to preclude forfeiture***

45. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such

money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

***Payment in anticipation of call may carry interest***

46. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
47. The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debenture or other Securities of the Company.

**FORFEITURE OF SHARE**

***If call or installment not paid notice may be given***

55. If any Member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

***Form of notice***

56. The notice shall:
- 56.1 name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made.
- 56.2 detail the amount which is due and payable on the shares and shall state that in the event of non-payment on or before the time appointed the shares will be liable to be forfeited.

***If notice not complied with Shares may be forfeited***

57. If the requisitions of any such notice as aforesaid be not complied with, any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his Shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as herein provided.

### ***Notice of forfeiture to a Member***

58. When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

### ***Forfeited Share to become property of the Company***

59. Any Share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.

### ***Power to cancel forfeiture***

60. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

### ***Liability on forfeiture***

61. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
62. The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the shares.

### ***Effect of forfeiture***

63. The forfeiture of a Share involves extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the Share and all other rights, incidental to the Share except only such of those rights as by these Articles are expressly saved.

### ***Evidence of forfeiture***

64. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares and such declaration, and the receipt by the Company for the consideration, if any, given for the Shares on the sale or disposition thereof, shall constitute, a good title to such Shares and the person to whom the Shares are sold shall be registered as the holder of such Shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

### ***Cancellation of Share certificate in respect of forfeited Shares***



65. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein.
- 65.1 The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- 65.2 The transferee shall thereupon be registered as the holder of the Share; and
- 65.2.1 The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

***These Articles to apply in case of any non-payment***

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

***Employees Stock Options***

66. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to any Directors officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both.

***Power to issue Sweat Equity Shares***

67. Subject to and in compliance with Section 54 and other Applicable Law, the Company may issue the equity shares to its employees or Director(s) at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

***Preferential Allotment***

68. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a General Meeting, the Company may issue Shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

**TRANSFER AND TRANSMISSION OF SHARES**

***Register of transfers***

72. The Company shall keep a book to be called the “Register of Transfers”, and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. The Register of Transfers shall not be available for inspection or making of extracts by the

Members of the Company or any other Persons. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

### ***Instruments of transfer***

73. The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

### ***To be executed by transferor and transferee***

74. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up and in the manner as provided hereinbelow).
75. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor. However, where an application is made by the transferor alone and relates to partly paid shares, no registration shall be effected unless the Company gives notice of such application to the transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law and the transferee gives no objection to the transfer within two weeks from the date of receipt of the notice.

### ***Transfer books when closed***

76. The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

### ***Directors may refuse to register transfer***

77. Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company. The Company shall, from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, within such time as permitted by Applicable Law. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
78. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register—
- 78.1 the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or



- 78.2 any transfer of shares on which the Company has a lien.
79. The Board may decline to recognise any instrument of transfer unless—
- 79.1 the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law;
- 79.2 the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- 79.3 the instrument of transfer is in respect of only one class of shares.

***Directors to recognize Beneficial Owners of securities***

80. Notwithstanding anything contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
81. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
82. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

***Nomination***

83. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
84. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
85. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

86. Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirement of the notice have been complied with.

***Transmission in the name of nominee***

87. Any person becoming entitled to Shares or Debentures in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with These Presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either to be registered himself as holder of the Shares or Debentures, as the case may be; or to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made.

Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

Provided nevertheless, that if such person so becoming entitled, elects to register some other person, he shall testify the election by executing an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares or Debentures.

88. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
89. If any person, so becoming entitled under Article 87, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.
90. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
91. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
92. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.
93. A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to

exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

94. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

***No transfer to minor, insolvent etc.***

95. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

***Person entitled may receive Dividend without being registered as a Member***

96. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

***Transfer to be presented with evidence of title***

97. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

***Conditions of registration of transfer***

98. For the purpose of the registration of a transfer, the certificate or certificates of the Share or shares to be transferred must be delivered to the Company along with (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.

***No fee on transfer or transmission***

99. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

***Company not liable for disregard of a notice in prohibiting registration of transfer***

100. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right

title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

## **DEMATERIALISATION OF SECURITIES**

101. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

### ***Dematerialization of Securities***

102. The Board shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, as amended. The provisions contained in Articles 101 to 113 will be applicable in case of such Securities as are or are intended to be dematerialized.

### ***Options for investors***

103. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
104. If a person opts to hold his Securities with the Depository, the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

### ***Securities in depositories to be in fungible form***

105. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

### ***Rights of Depositories and Beneficial Owners***

106. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
107. Save as otherwise provided in Article 106 above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
108. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

### ***Service of Documents***

109. Notwithstanding anything contained in these Articles to the contrary, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode.

***Transfer of securities***

110. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

***Allotment of securities dealt with in a Depository***

111. Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

***Distinctive number of securities held in a Depository***

112. Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

***Register and index of Beneficial Owners***

113. The Register and index of Beneficial Owners maintained by Depository under the Depositories Act, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

114. Copies of memorandum and articles of association of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as fixed under Applicable Law.

**BORROWING POWERS**

***Power to borrow***

115. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up share Capital of the Company and its free reserves.

***Conditions on which money may be borrowed***

116. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, or other Securities, or any mortgage, or other Security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

### ***Terms of issue of Debentures***

117. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of Shares shall be issued only with such sanctions as may be applicable.

### ***Instrument of transfer***

118. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non-transferable Debentures and accept an assignment of such instruments.

### ***Delivery of certificates***

119. Deliver by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.

### ***Register of charge, etc.***

120. The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

### ***Register and index of Debenture holders***

121. The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or country outside India a branch register of Debenture-stock, resident in that State or country.

## **GENERAL MEETINGS**

122. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
123. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.
124. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
125. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:



- 125.1. the consideration of financial statements and the reports of the Board of Directors and Auditors;
- 125.2. the declaration of any Dividend;
- 125.3. the appointment of Directors in place of those retiring;
- 125.4. the appointment of, and the fixing of the remuneration of, the Auditors
- 126. In case of any other meeting, all business shall be deemed special.
- 127. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
- 128. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Member/ class of Members/ Debenture holders, seek their assent by Postal Ballot, including e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
- 129. The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.
- 130. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- 131. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

***E-voting in case of General Meetings:***

- 132. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.
- 133. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting unless permitted by applicable Law.

Provided that voting may also be allowed to be casted by way of poll or any other mode which any Applicable Law may allow.

- 134. Where there is voting at General Meeting in addition to E-voting, the person chairing the General Meeting may require a poll to be conducted. The person chairing the General Meeting shall declare the results obtained through Electronic Modes and the result of the poll, at such place and within such time as may be permitted by Applicable Law.

***Notice of General Meetings***

135. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every Member or legal representative of any deceased Member or the assignee of an insolvent Member, every Auditor(s) and Director of the Company.
136. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting.

#### ***Quorum at General Meeting***

137. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.
138. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
139. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

#### ***Chairperson at General Meetings***

140. The Chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company.
141. If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one among themselves to be chairperson of the Meeting.
142. If at any Meeting no Director is willing to act as chairperson or if no Director is present within fifteen minutes after the time appointed for holding the Meeting, the members present shall choose one of themselves to be chairperson of the Meeting.
143. No business shall be discussed at any General Meeting except the election of a chairperson, while the chair is vacant.

#### ***Adjournment of Meeting***

144. The Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the Meeting from time to time and from place to place.
145. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
146. When a Meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original Meeting.



147. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### ***Voting rights***

148. No Member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

149. Subject to any rights or restrictions for the time being attached to any class or classes of Shares,—

149.1. on a show of hands, every Member present in person shall have one vote; and

149.2. on a poll, the voting rights of Members shall be in proportion to his Share in the paid-up equity share Capital of the Company.

149.3. A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

150. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

151. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

152. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

153. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

154. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

155. Any such objection made in due time shall be referred to the chairperson of the Meeting, whose decision shall be final and conclusive.

### ***Proxy***

156. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

157. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the

registered office of the Company not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

158. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
159. A Member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
160. The proxy so appointed shall not have any right to speak at the meeting.
161. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

#### ***Passing of resolution by Postal Ballot***

162. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debenture holders, seek their assent by Postal Ballot, which shall include e-voting. Such Postal Ballot will comply with the provisions of Applicable Law in this behalf.
163. Where permitted/required by Applicable Law, Board may provide Members/Members of a class/Debentureholders right to vote through e-voting, complying with Applicable Law.
164. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the Member, Member of a class or other Security holders by way of personal presence in a meeting.
165. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and Applicable Law.
166. In case of resolutions to be passed by Postal ballot, no Meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
167. Where a resolution will be passed by Postal ballot the Company shall, in addition to the requirements of giving requisite clear days' notice, send to all the Members the following:

167.1. Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

167.2. Postal ballot for giving assent or dissent, in writing by Members; and

167.3. Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice.

#### ***Maintenance of records and Inspection of minutes of General Meeting by Members***

168. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.

169. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

170. Any such minutes shall be evidence of the proceedings recorded therein.

171. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the company secretary from time to time, to the inspection of any Member without charge.

172. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (*rupees ten only*) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

#### **BOARD OF DIRECTORS**

173. The number of Directors of the Company shall be not less than 3 (three) and not more than 15 (fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. Further, any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

174. The following persons shall be the First Directors of the Company :—

174.1. SHRI SHIV PRAKASH MITTAL

174.2. SHRI RAJESH MITTAL

174.3. SHRI SAURABH MITTAL

174.4. SHRI SHOBHAN MITTAL

### ***Board's power to appoint Additional Directors***

175. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.
176. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

### ***Nominee Directors***

177. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
178. In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.
179. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

### ***Appointment of Alternate Directors***

180. Subject to the provisions of Section 161(2) of the Act, the Board may appoint an alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an alternate Director appointed in his place, shall not be considered.

### ***Board's power to fill vacancies***

181. Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which

the Director in whose place he is appointed would have held office if it had not been vacated by him.

182. If the place of the retiring Director is not filled up and the Meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
183. If at the adjourned meeting also, the vacancy caused by the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless :
  - 183.1. at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;
  - 183.2. the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
  - 183.3. he is not qualified or is disqualified for appointment;
  - 183.4. a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
  - 183.5. the provision of Section 162 of the Act is applicable to the case.

#### ***Independent Directors***

184. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the databank established under Section 150 of Act or otherwise.
185. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
186. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or removal from directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
187. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.
188. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
189. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.

190. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

191. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.

192. Term of Office of Independent Director:

Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

#### ***Retirement and rotation of Directors***

193. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors").

194. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.

195. The Company may appoint a managing or a whole-time director, or any other executive director, as Rotational Director and the rotation of these Directors pursuant to Article 194 shall not be construed as a break in their tenure of appointment.

196. A retiring Director shall be eligible for re-election.

#### ***Resignation of Directors***

197. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company.

198. A managing director or a whole-time director or any executive director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.

199. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. In case of resignation by a whole-time Director or Managing Director, the resignation shall be effective as per the terms of appointment as mutually agreed and as may be permitted by Applicable Law.

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

### ***Removal of Directors***

200. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

### ***Remuneration of Directors***

201. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a directors' and officers' liability insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.

202. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
203. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.
204. A Director of this Company may be or become a Director of any company promoted by this Company or in which it may be interested as a vendor, shareholders or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such Company.
205. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them—
- a. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or
  - b. in connection with the business of the Company.

### ***Directors may act notwithstanding any vacancies on Board***

206. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by These Presents, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by These Presents or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

### ***Vacation of office of Director***



207. The office of a Director shall ipso facto be vacated:

- a. on the happening of any of the events as specified in Section 167 of the Act.
- b. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;
- c. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;
- d. if he is removed in pursuance of Section 169 of the Act;
- e. any other disqualification that the Applicable Law for the time being in force may prescribe.

***Notice of candidature for office of Directors except in certain cases***

208. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees 1 Lac or such higher amount as the Board may determine, as permissible by Applicable Law.

209. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

210. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.

***Director may contract with the Company***

211. Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law.

212. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party entered into on arm's length basis. Where a contract complies with such conditions or indicia of arms' length contracts as laid down in a policy on related party transactions framed by the Board and approved by a general meeting, the contract shall be deemed to be a contract entered into on arm's length basis.

***Register of contracts or arrangements in which Directors are interested***



213. The Company shall keep a Register in accordance with Section 189 (1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
214. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (*ten rupees*) per page, or such higher amount as may be laid by the Board, as permitted by Applicable Law.

#### ***Register of Directors and Key Managerial Personnel and their shareholding***

215. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

#### ***Miscellaneous***

216. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

### **PROCEEDINGS OF THE BOARD**

#### ***Meetings of Board***

217. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
218. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
219. The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.

220. The Board shall meet at such intervals as permitted by Applicable Law. The Directors may adjourn and otherwise regulate their meetings as they think fit.
221. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated

### ***Meetings of Board by Video/audio-visual conferencing***

222. Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.

### ***Regulation for meeting through Electronic Mode***

223. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.
224. Subject as aforesaid, the conduct of the Board meeting where a Director participates through Electronic Mode shall be in the manner as laid down in Applicable Law.
225. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through Electronic Mode, as the case may be.
226. Upon the discussions being held by Electronic Mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
227. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

### ***When can a meeting be convened***

228. The Managing Director or a Director may, and the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

### ***Notice of meeting***

229. Notice of every meeting of the Board shall be given in writing including by way of electronic means, not later than seven days, to every Director at his registered address with the Company.
230. The notice of a meeting of the Board must contain information regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

### ***Chairperson for Board Meetings***

- 231. The Board may elect a Chairperson and determine the period for which he is to hold office. Such Chairperson shall preside at all the Board Meetings of the Company.
- 232. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

### ***Quorum***

- 233. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within thirty minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board or in his absence, the other Directors present shall decide.
- 234. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.

### ***Exercise of powers to be valid in meetings where quorum is present***

- 235. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act, the powers of the Company.

### ***Matter to be decided on majority of votes***

- 236. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

### ***Power to appoint Committee and to delegate powers***

- 237. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.
- 238. Any committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board.
- 239. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

### ***Resolution without Board Meeting/ Resolution by Circulation***

240. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void and not be given effect to.

***Acts of Board / Committee valid notwithstanding formal appointment***

241. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

***Minutes of proceedings of meeting of Board***

242. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
243. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
244. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
245. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
246. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors of the meeting either in writing or in Electronic Mode as may be decided by the Board in accordance with Applicable Law.
247. Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or as permitted by Applicable Law, after receipt of the draft minutes failing which his approval shall be presumed.

248. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
249. The minutes shall also contain:
- a. The names of the Directors present at the meeting; and
  - b. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
250. Nothing contained in Articles 243 to 247 herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting :
- a. is, or could reasonably be regarded as defamatory of any person.
  - b. is irrelevant or immaterial to the proceedings; or
  - c. is detrimental to the interest of the Company.
251. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
252. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
253. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board Meeting minutes only for the period he is on the Board of the Company.

Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

### ***Powers of Board***

254. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
255. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) constitute a committee, appoint attorneys and agents and fix their remuneration and delegate them such powers as may be deemed requisite or expedient. The Company may have for use abroad such official seal as the Board may lay down. Such seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Directors shall from time to time by writing under the Seal appoint. The Company may also exercise the powers of keeping foreign registers as provided by the Act.
256. The Board may, subject to Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may allow such time for payment of the said money as is acceptable within customary periods for

payment of similar money in contemporaneous commercial practice. Grant of such period for payment shall not be deemed to be a “loan” or grant of time for the purpose of sec 180 (1) (d) of the Act and Applicable Law.

257. a. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.
- b. Subject to the provisions of Act the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable hereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed and mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

#### ***Restriction on powers of Board***

258. Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution:
- a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- b. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- c. to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share Capital and free-reserves, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business.
- d. to remit, or give time for the repayment of, any debt due from a Director.

#### ***Contribution to charitable and other funds***

259. The Board of Directors of a Company may contribute to bona fide charitable and other fund. A prior permission of the Company in general meeting (ordinary resolution) shall be required for if the aggregate of such contributions in a financial year exceeds 5% (five per cent) of its average net profits for the three immediately preceding financial years.

#### ***Absolute powers of Board in certain cases***

260. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law , it is hereby declared that the Directors shall have the following powers; that is to say, power :
- a. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.



- b. To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act.
- c. To act jointly and severally in all on any of the powers conferred on them.
- d. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.
- e. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.
- f. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.
- g. Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- h. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;
- i. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;
- j. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- k. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- l. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company.
- m. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- n. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company.
- o. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;

- p. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- q. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- r. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- s. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- t. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- u. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- v. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- w. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- x. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as



the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- y. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- z. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient of comply with;
- aa. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.
- bb. From time to time and at any time to establish any committee for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such committee and to fix their remuneration.
- cc. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, and to authorise the Members for the time being of any such committee, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- dd. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under These Presents and subject to sections 179 and 180 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any committee, established as aforesaid or in favour of any Company, or the Shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates

or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

- ee. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- ff. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit.
- gg. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.
- hh. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

#### ***Establishment of vigil mechanism***

- 261. Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. The audit committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the audit committee, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the audit committee may take suitable action against the concerned Director or employee including reprimand.

### **MANAGING DIRECTOR**

#### ***Board may appoint Managing Director(s)***

- 262. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. Additionally, the Managing Director may from time to time authorise any employee of the Company by executing a power of attorney or otherwise for such matters as he may deem fit in the best interests of the Company.
- 263. Subject to the article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

#### ***Restriction on Management***

264. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

***Remuneration to Managing Directors/ whole time directors***

265. A Managing or whole time director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

266. Subject to the provisions of the Act and Applicable Law,—

- a. A chief executive officer, manager, company secretary or chief financial officer may be appointed at a Board Meeting for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution at a Board Meeting;
- b. A Director may be appointed as chief executive officer, manager, company secretary subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function as the chief financial officer of the Company.
- c. An individual may be appointed as the chairperson of the Company as well as the Managing Director or chief executive officer of the Company at the same time on such occasions as the Board may decide.
- d. The functions of a company secretary shall be in accordance with Section 205 of the Act and other Applicable Law.
- e. Subject to the article above, the powers conferred on the chief executive officer shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- f. The chief executive officer shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

**POWER TO AUTHENTICATE DOCUMENTS**

267. Any Director or company secretary or any officer appointed by the Board for the purpose shall have power to authenticate any document relating to the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof.
268. Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last

preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

## **THE SEAL**

269. The Board shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
270. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of such Directors and the company secretary or such other person as the Board may specify/appoint for the purpose; and the Director and the company secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

## **MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS**

271. Subject to the provisions of the Act the following shall have effect:
- a. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.
  - b. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.
  - c. The Board may, at any time and from time to time by power of attorney under Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the Board under the Act and for such period and subject to such conditions as the Board may, from time to time, thinks fit, and such appointments may, if the Board thinks fit, be made in favour of the members or any of members of any local directorate established as aforesaid, or in favour of the Company or of the members, Directors, nominees or officers of the Company or firm or in favour of any person whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.
  - d. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
  - e. The Company may exercise the power conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such

state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall in any case comply with the provisions of the Act.

## **DIVIDENDS AND RESERVE**

### ***Division of profits***

272. The profits of the Company, subject to any special rights as to dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively.

### ***The Company in General Meeting may declare a Dividend***

273. The Company in Annual General Meeting may declare Dividends to be paid to Members according to their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

### ***Dividend only to be paid out of profits***

274. The Dividend can be declared and paid only out of the following profits;
- a. Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws.
  - b. Accumulated profits of the earlier years, after providing for depreciation u/s 123(2) read with Schedule II and Applicable Laws.
  - c. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government.
  - d. No dividend shall be declared or paid by the Company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both or out of such other money as may be permitted.

### ***Transfer to reserve***

275. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
276. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### ***Interim Dividend***

277. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

### ***Calls in advance not to carry rights to participate in profits***

278. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

### ***Payment of pro rata Dividend***

279. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

### ***Deduction of money owed to the Company***

280. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

### ***Rights to Dividend where shares transferred***

281. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

### ***Dividend to be kept in abeyance***

282. The Board may retain the dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

### ***Notice of Dividend***

283. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

### ***Manner of paying Dividend***

284. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
285. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and the payment of every cheque or warrant sent under these Articles, shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt



lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

### ***Receipts for Dividends***

286. Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

### ***Non-forfeiture of unclaimed Dividend***

287. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of the Act and Applicable Law in respect of all unclaimed or unpaid dividends.

## **ACCOUNTS**

### ***Directors to keep true accounts***

288. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
289. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
290. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
291. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.
292. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

### ***Preparation of revised financial statements or Boards' Report***

293. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

### ***Inspection of accounts***

No member (not being a Director) shall have any right of inspecting any books of accounts or documents of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

## **AUDIT**

### ***Auditors to be appointed***

294. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.
295. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

### ***Remuneration of Auditors***

296. The remuneration of the Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine.

## **DOCUMENTS AND NOTICES**

### ***Service of documents and notice***

297. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made thereunder.
298. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

### ***Notice to whom served in case of joint shareholders***

299. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

### ***Notice to be served to representative***



300. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

#### ***Service of notice of General Meetings***

301. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

#### ***Members bound by notice***

302. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

#### ***Documents or notice to be signed***

303. Any document or notice to be served or given by the Company may be signed by a Director or the company secretary or any person duly authorised by the Board of Directors for such purpose.

#### ***Notice to be served by post or other electronic means***

304. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

#### ***Admissibility of micro films, computer prints and documents to be treated as documents and evidence***

305. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.
306. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.

#### **WINDING UP**

307. Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder—
- 307.1 If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to

the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

307.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

307.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS**

308. Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes.

## **INDEMNITY**

309. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

- a. **“Claims”** means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;
- b. **“Indemnified Person”** shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;
- c. **“Losses” means** any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim;

### **310. *Indemnification***

- a. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person’s powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).

- b. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
- c. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
  - 310.3.1 Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
  - 310.3.2 Any liability arising due to any benefit wrongly availed by the Indemnified Person;
  - 310.3.3 Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person
  - 310.3.4 The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

## **SECRECY**

- 311. Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge In the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in These Presents and the provisions of the Act.
- 312. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

## **SECTION VIII – OTHER INFORMATION**

### **XXV. DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company. Copies of the following documents will be available for inspection at the Registered Office of our Company on business hours with prior intimation, from the date of the Information Memorandum:

- (a) Memorandum and Articles of Association of the Company along with Certificate of Incorporation dated 12 August 2013 and Certificate of Commencement of Business dated 16 August 2013 issued by the RoC;
- (b) Composite Scheme of Arrangement;
- (c) Order of the Hon'ble Gauhati High Court dated 31 October 2014 sanctioning the Composite Scheme of Arrangement under Section 100 to 104 and Sections 391 to 394 of the Companies Act between Greenply Industries Limited, Greenlam Industries Limited and their respective shareholders and creditors;
- (d) Letters issued by BSE and NSE, both dated 25 March 2014, according their no objection to the Composite Scheme of Arrangement;
- (e) Copy of Tripartite Agreement with National Securities Depository Ltd. dated 18 November 2014 and Central Depository Services (India) Ltd dated 5 November 2014;
- (f) Memorandum of Understanding with the Registrar and Share Transfer Agent;
- (g) Annual Report containing the Audited Accounts of the Company as of 31 March 2014 and Audited Financial Statements for 30 September 2014;
- (h) SEBI Letter dated 10 February 2015 bearing number CFD/DIL/BNS/SGS/OW/4361/2015 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1957 for listing of Equity Shares of the Company;
- (i) Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Information Memorandum;
- (j) Statement of Possible Direct Tax Benefits dated 11 November 2014 from the Company's statutory auditors;
- (k) Board resolution dated 11 November 2014 for appointment of and payment of remuneration to the Managing Director & CEO;
- (l) BSE letter dated 18 February 2015 bearing number DCS/AMAL/FR/IP/299/2014-15 granting in-principle approval for listing;
- (m) NSE letter dated 15 January 2015 bearing number NSE/LIST/10900 granting in- principle approval for listing.

**Note:** Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the

other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## **XXVI. DECLARATION**

All statements made in this Information Memorandum are true and correct.

**On behalf of the Board of Directors of the Company**

Sd/- Saurabh Mittal

Name: Saurabh Mittal

Designation: Managing Director and CEO

Place: New Delhi

Date: 23 February, 2015