GIL/2018-19
May 30, 2018

The Manager
BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001
Fax No. 022-2272-3121/1278/1557/3354
Scrip Code: 526797

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Fax No. 022-2659-8237/8238/8347/8348
Symbol - GREENPLY

Dear Sir/Madam,

Sub: **<u>Outcome of Board Meeting</u>**

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI-LODR"), this is to inform that the Board of Directors of the Company at its Meeting held today, *inter alia*, has subject to approval of the concerned Authorities, approved a Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 and rules made thereunder, between Greenply Industries Limited (hereinafter referred to as the "Demerged Company") and Greenpanel Industries Limited (hereinafter referred to as the "Resulting Company"), a wholly owned subsidiary of the Company and their respective Shareholders and Creditors. In this respect we hereby submitting the following details as required under SEBI-LODR and circular bearing number CIR/CFD/CMD/4/2015 dated September 9, 2015 issued by the SEBI:

a. **Brief details of the division(s) to be demerged:**

   Business comprising of manufacturing, marketing and trading of Medium Density Fibre Boards (MDF), Pre-Laminated MDF, Wood Floors, Plywood, Decorative Veneers, Doors and allied products. Presently, this business consists of the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and overseas subsidiary viz. Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkemal (Singapore) Pte. Ltd. (registered in Singapore).

b. **Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year:**

   Annual turnover (Gross) of the demerged division for the FY 2017-18: INR 78,093.08 lacs. Percentage to the total turnover on standalone basis of the Company (FY 2017-2018): 46.62%

c. **Rationale for de-merger:**

1. Each of the businesses of the Demerged Company have been nurtured and developed from a nascent stage and are currently at different stages of maturity, with differing capital and operating requirements including risk and competition, necessitating different management approaches and focus.

2. The proposed demerger is aimed at achieving the following business and commercial objectives and is expected, *inter alia*, to result in the following benefits for the Demerged Company and the Resulting Company:

   (i) Enhanced strategic flexibility to build a viable platform solely focusing on each of the businesses.

   (ii) Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock significant value for the Shareholders of the Demerged Company.

   (iii) Provide enhanced strategic flexibility in the operation of each of the businesses of the Demerged Company and the Resulting Company.

   (iv) Expanding the potential client / customer market for each business vertical.

   (v) Access to various sources of funds and investments for the rapid growth of both the businesses.

3. The nature of technology, risk, competition and capital intensity involved in each of the undertakings of the Demerged Company is distinct from each other. Consequently, each undertaking of the Demerged Company is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence, as part of an overall business reorganisation plan, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging the said division to the Resulting Company.

4. Pursuant to the Scheme, all Shareholders of the Demerged Company as on the Record Date will receive equity shares in the Resulting Company and subsequently, such Shareholders of the Demerged Company will hold equity shares in both, the Demerged Company and the Resulting Company. It will give such Shareholders of the Demerged Company the ability to continue to remain invested in both or either of the Companies, giving them greater flexibility in managing and/or dealing with their investments.

5. The Scheme is beneficial to the respective Shareholders, Creditors, Employees and all Stakeholders of the Demerged Company and the Resulting Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the Companies and in the growth and development of their respective businesses.

d. **Brief details of change in shareholding pattern (if any) of all entities:**

There will be no change in the Shareholding Pattern of Greenply Industries Limited. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the said division into the Resulting Company, the Resulting