AHEAD OF THE CURVE

Annual Report, 2013-14

GREENPLY INDUSTRIES LIMITED

Forward looking statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subjects to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

SLUGGISH OFFTAKE. COUNTERFEITS. HIGHER RAW MATERIAL COSTS. CHEAPER ALTERNATIVES. SLOW REAL ESTATE OFFTAKE. WEAK CONSUMER SENTIMENT. UNDER-CUTTING. LONGER RECEIVABLES CYCLE. CONSUMER DOWNTRADING. RISE IN INTEREST RATES. SLOWER EQUIPMENT DELIVERY. DECELERATED INCOME GROWTH. WEAK COMMERCIAL MARKET. DELAY IN GST INTRODUCTION. LACK OF RAW MATERIAL AVAILABILITY.

There were only two ways to respond to these industry challenges.

THE REACTIVE.

The 'Oh my god, what do we now do?' kind-of-response

THE PROACTIVE.

The 'Don't worry, let us plan in advance' preparedness

GREENPLY PREPARED.

AHEAD OF THE CURVE.

AHEAD OF THE CURVE.

BRAND INVESTMENT.
PREMIUM POSITIONING.
DEEPER RURAL PUSH.
WIDER PRODUCT RANGE.
INCREASED PRICE POINTS.
BRAND EXTENSION.
PRODUCT POSITIONING.
WIDER DEALER REACH.
NO DISCOUNTING.
RAW MATERIAL SECURITY.
WIDER VALUE CHAIN.
BACKWARD INTEGRATION.
TIMELY DE-MERGER.
COST-CUTTING.
LEANER INVENTORIES.
PRODUCT LAUNCHES.

THIS IS THE RESULT.

2013-14

THE INDUSTRY GROWTH WAS FLAT.

GREENPLY GREW PLYWOOD REVENUES BY

10.35%

AND LAMINATE REVENUES BY

12.14%

WEAK CONSUMER SENTIMENT.

GREENPLY GREW OPERATING PROFIT BY

05.50%

GREENPLY INDUSTRIES LIMITED. TWO BUSINESSES IN ONE. PLYWOOD (INCLUDING MDF) AND LAMINATES.

WIDE-RANGING CONSUMER CHOICE. ONE-STOP CUSTOMER SERVICING. EXTENDING FROM PRODUCTS TO SOLUTIONS.

IT'S AMAZING HOW A SIMPLE COMMITMENT TO STAY AHEAD OF THE CURVE HELPED GREENPLY EMERGE AS INDIA'S LARGEST INTERIOR INFRASTRUCTURE COMPANY AND ASIA'S LARGEST (AND THE WORLD'S THIRD LARGEST) LAMINATE COMPANY.

VISION

- Make every house full of colour and life
- Help India gain a significant position globally
- Transform every house into a home

MISSION

- Ensure on-time delivery of high-quality products
- Create a cordial atmosphere within the organisation
- Implement environmentally and socially considerate decisions for itself and the community

Who we are

Greenply Industries Limited (established in 1990), headquartered in Kolkata, is one of India's oldest, largest and most respected interior infrastructure companies.

The Company is pan-Indian in terms of presence and product availability; its seven state-of-the-art units are located in Behror (Rajasthan), Kriparampur (West Bengal), Bamanbore (Gujarat), Nalagarh (Himachal Pradesh), Tizit (Nagaland) and Pantnagar (Uttarakhand).

The Company (promoted by Sri Shiv Prakash Mittal and Sri Rajesh Mittal) has emerged as one of the largest laminate companies in Asia and the third largest in the world (by volume).

The shares of the Company are actively traded on the NSE and the BSE with a market capitalisation of ₹888 crore as on March 31, 2014. The promoters own 55% of the Company's equity Shares.

What we make

The Company is engaged in manufacturing and marketing a wide range of interior infrastructure products - surface finish and foundation/structural products for homes, offices and retail establishments. The Company's offerings comprise decorative laminates, decorative veneers, plywood and block board, medium density fibreboard (MDF), restroom cubicles and flush doors amongst others.

Where we sell

Greenply enjoys a marketing presence across India (500 cities) and the world (100 countries). The Company's distribution network comprises distributors, dealers, sub-dealers and retailers supported by 46 marketing offices across 21 states.

How we are respected

- Greenply Industries Limited was honoured at the Dun & Bradstreet – Corporate Awards 2014 in the plywood sector
- Greenply was among top-500 companies to show growth in their topline earnings, despite subdued consumption demand and inflationary pressures
- Greenply was granted the 'Star Export House' status
- Received 'Greenguard' certification for Greenlam laminates
- The Green fire retardant plywood was certified by the Central Building Research Institute
- The Kriparampur, Bamanbore and Pantnagar units have been accredited by the FSC with a 'chain of custody' certification
- The Kriparampur unit was awarded with social accountability certificate SA 8000
- Received ISO 9001, ISO 14001 and OHSAS 18001-certification for its Behror, Nalagarh, Tizit, Pantnagar and Kriparampur units while the Bamanbore unit is ISO 9001-certified
- First in India to introduce an entire range as Anti Bacterial Laminates. Greenlam Laminates now come with the revolutionary technology that retards the growth of nearly 99% of Microbes with utmost efficiency, creating a healthy and hygienic living space.

Where we manufacture

Our manufacturing units

Tizit, Nagaland
Plywood unit

Kriparampur, West Bengal
Plywood unit

Pantnagar, Uttarakhand
Plywood and Reconstructed Veneers unit

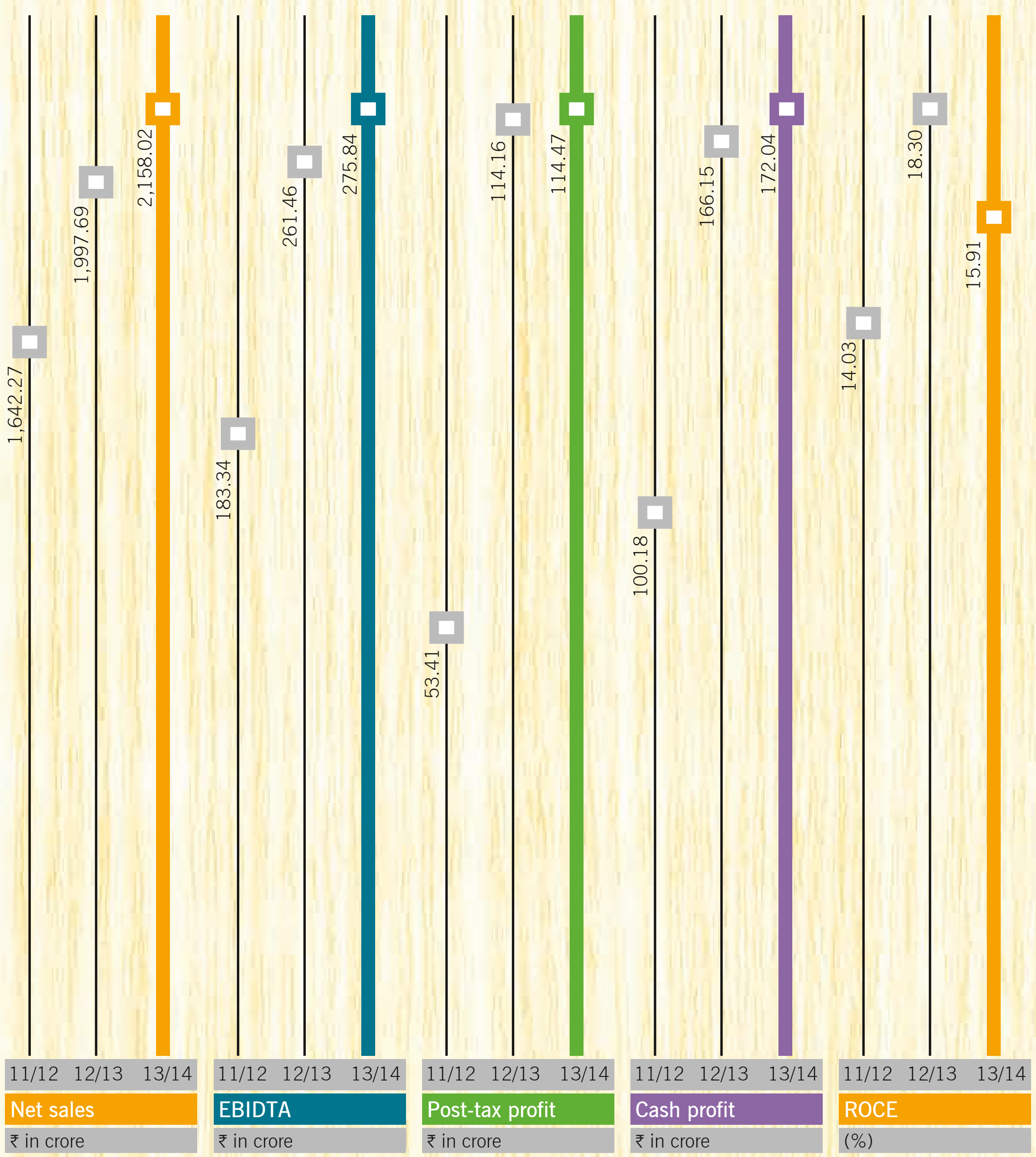
Bamanbore, Gujarat
Plywood unit

Pantnagar, Uttarakhand
MDF unit

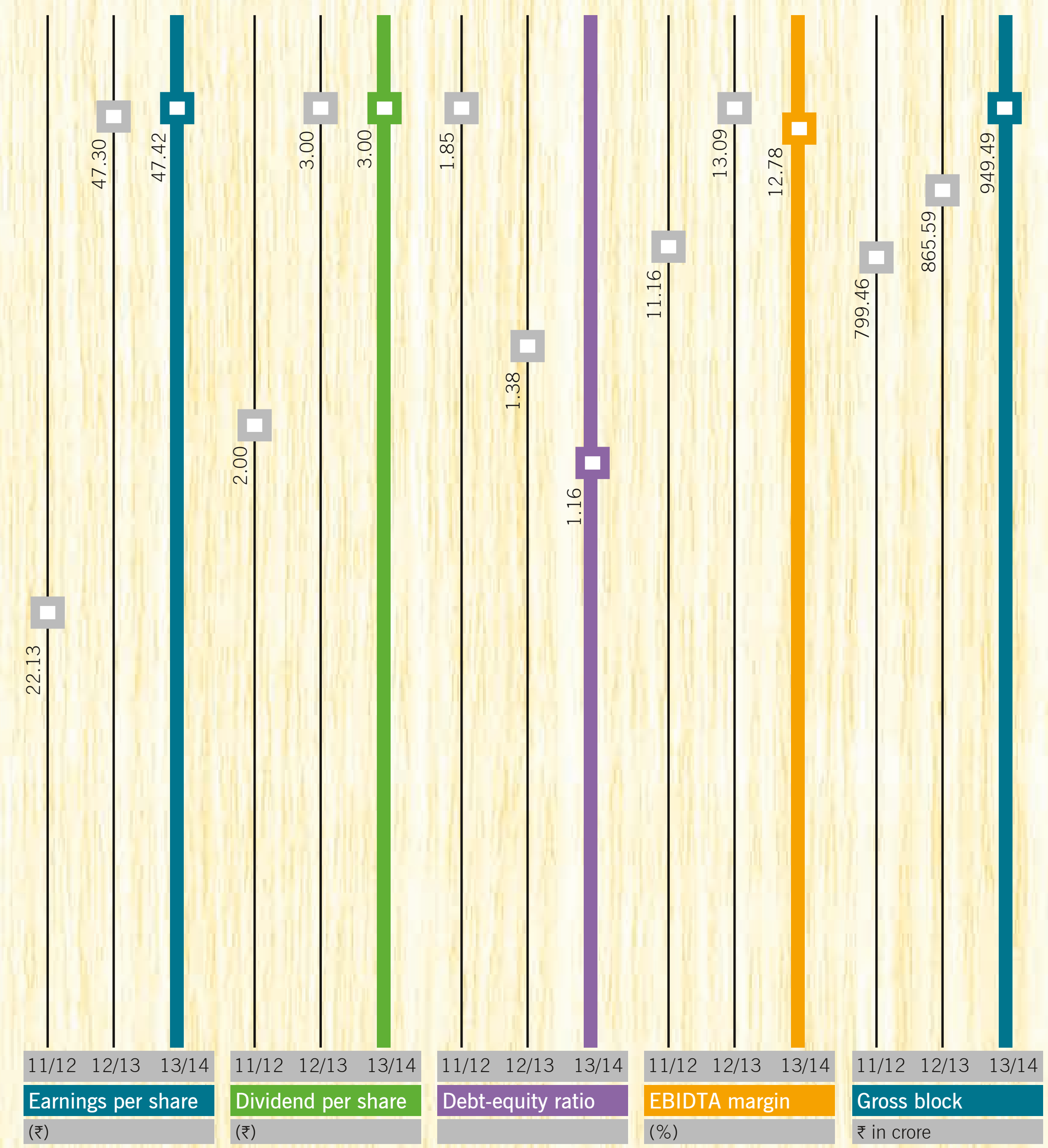
Nalagarh, Himachal Pradesh
Laminate unit

Behror, Rajasthan
Laminate and Decorative Veneers unit

STAYING AHEAD OF THE CURVE HAS ENABLED US TO PERFORM BETTER EVEN DURING CHALLENGING ECONOMIC SLOWDOWNS.



REFLECTED IN SUPERIOR REVENUES, PROFITS, EARNINGS PER SHARE AND GEARING IN THE WORST OF MARKETS.



Ahead of the curve means…

WHILE UNITY WAS GOOD, INDEPENDENCE IS EVEN BETTER.

IF THERE IS ONE THING THAT WE DID WELL IN THE LAST FEW DECADES, IT WAS BRINGING OUR CAPABILITIES TOGETHER. IF THERE IS ONE THING THAT WE HAVE LEARNED IN THESE DECADES IS THAT THERE WILL COME A TIME WHEN WE WOULD NEED TO LET OUR BUSINESSES STAND INDEPENDENTLY.

Over the two decades of our existence, we graduated from plywood to laminates, decorative veneers and then to MDF. From a single product unit we became a multi-product entity; from a plywood manufacturer we evolved into an interior infrastructure organisation.

The time has now come for the Company to climb to the next level through the prudent segregation of its businesses. The Company has decided to de-merge its decorative business into a separate entity for some pertinent reasons.

One, the wood-based (plywood and MDF) segment addresses background furniture whereas the decorative business (laminates and allied products) addresses the surface furniture segment.

Two, each of these growing businesses warrants a dedicated management focus and resource allocation in line with respective market trends.

Three, the decorative business addresses a global audience; the plywood business focuses on the domestic market.

Four, the demerger seeks to create a new platform for independent growth of the decorative business, while allowing the Company to concentrate on its plywood and MDF businesses in a more focused manner thereby strengthening Greenply's and Greenlam's market leadership.

Five, the demerger is aimed at protecting and maximising value for the shareholders of the Company.

Ahead of the curve means...

GRADUATING TO A FARM-TO-FACTORY-TO-FLAT MODEL.

OVER THE LAST TWO DECADES, WE SOURCED TIMBER FROM ONE OF THE LARGEST MARKETS IN THE 'ASEAN' REGION WITH THE OBJECTIVE TO PEEL AND PROCESS THE RESOURCE INTO PLYWOOD.

Following increasing signs that Myanmar, our single largest raw material provider, will restrict the export of unprocessed timber, we have our task cut out in front of us.

Over the next decade, Greenply will invest in a timber plantation-cum-agroforestry model across India with the objective to enhance raw material sustainability, environment sustainability, reduce logistic costs and graduate farmers from subsistence to commercial planting.

Greenply's proposed timber plantation-cum-agroforestry model enjoys significant advantages:

- The cost of plantation timber procurement is lower than that of timber derived from forests
- Plantation timber has demonstrated its suitability and commercial viability for most plywood applications
- The proximate availability of plantation timber within 100 kms of its unit(s) will moderate logistics costs
- The timber plantation-cum-agroforestry model will provide farmers with a superior and sustainable livelihood

By proceeding with this pioneering initiative, Greenply will once more demonstrate that it is ahead of the industry curve leading to lower raw material costs and enhanced margins.

Ahead of the curve means…

GRADUATING FROM CARVING OUT MARKET SHARE TO CREATING NEW MARKET SEGMENTS.

IN A CHALLENGING MARKET ENVIRONMENT, GREENPLY GRADUATED TO THE EXPLORATION OF CONTIGUOUS BUSINESS SPACES WITH THE OBJECTIVE TO CREATE MARKET NICHES AND DOMINATE THEM.

For instance, during a flat market phase, we built a high-end veneered engineering flooring capacity within the decorative business space; we extended to the manufacture of economised products for the MDF segment.

High-end veneered engineering flooring

- The Company is introducing innovative high-end veneer flooring designs (expected to be commercialised by H1, FY2015)
- Veneer engineered flooring is light and flexible with a domestic market growing annually at 25%

MDF economy product

- The Company launched an MDF product competing with the cheaper unorganised plywood segment.
- The Company addressed the ₹12,000 crore economic plywood segment with products in different sizes and thicknesses

By being ahead of the curve, Greenply expects to generate incremental revenues and profits, strengthening organisational competitiveness.

Chairman's overview

"THE PROPOSED DE-MERGER WILL POSITION US AHEAD OF THE INDUSTRY CURVE"

Dear shareholders,

The most decisive initiative taken by your Company during the financial year under review was the implementation of the proposal to de-merge the Company across its two principal businesses – plywood including medium density fibreboard businesses and decorative business. Once implemented, the new entity that will emerge out of Greenply Industries Limited would become Greenlam Industries Limited to address the decorative business (laminates and allied products) whereas Greenply Industries Limited would continue to address the plywood and MDF businesses.

Background

At Greenply, we have consistently believed that relatively smaller businesses move faster, address customer needs more efficiently and are better equipped to enhance shareholder value.

Over the years, the Company grew from a relatively small-sized corporate to one with considerable scale; we grew from ₹138.68 crore in revenues in 2003-04 to ₹724.86 crore in 2008-09 to ₹2,158.02 crore in 2013-14. During this decade, Greenply reported a compounded annual growth in revenues at a rate of 31.58% while the industry at large grew at a rate of 5-7%. Credit, in part, for this outperformance can be ascribed to the fact that we were small, could take decisions with speed and could lead the market through pioneering product introductions.

The result is that we have emerged as the largest plywood and laminate brands in the country. We have no hesitation in stating that we outperformed the market through an unswerving commitment towards fostering the spirit of a small-sized corporate within the body of a medium-sized corporate.

Demerger rationale

As a proactive organisation, we embarked on possibly the most decisive initiative in a decade during the year under review. The Company selected to de-merge across two lines of businesses and consciously emerge smaller with the overall objective to enhance organisational focus, enhance youthfulness, reinforce fundraising capabilities, emerge stronger across both businesses and enhance respective values in a way which would not have been possible in our merged manifestation.

There is another perspective that needs to be appreciated. Even as our plywood and laminates businesses address the interior infrastructure space, they are largely different in terms of capital requirements, branding, manufacturing and marketing functions. Through the proposed segregation, we would have taken an important step towards resolution, making it possible for some investors to back precisely the business they would be interested in. In turn, we feel that this availability of informed choice and transparency would be the basis of a price discovery that would inevitably strengthen the aggregate market capitalisation of the two entities, validating the very reason for which the de-merger is being attempted.

As an extension, this transparency will enhance the confidence of the lenders and in turn strengthen the prospects of each of the businesses towards mobilising funds (networth or debt) to service their respective growth plans, recruit specific competencies, position the brands in closer alignment with stakeholder needs and grow faster in line with their respective individual and sectoral potential.

Overview

At Greenply, I have absolutely no doubt that the Company, which is in existence over two decades, is entering its second phase of growth.

I am optimistic that this new phase will attract a new class of stakeholders – employees, lenders and investors – that will translate into attractive and sustainable growth over the foreseeable future.

We've only just begun…

S. P. Mittal
Executive Chairman

THESE STRENGTHS HAVE POSITIONED US AHEAD OF THE INDUSTRY CURVE

AT THE CORPORATE LEVEL

Experience
Over two decades of presence within the interior infrastructure space has translated into rich industry knowledge and competitiveness.

Scale
Greenply is India's largest integrated plywood manufacturer, Asia's largest laminate company and the third largest laminate producer in the world (by volume).

Brand
Greenply is one of the most enduring brands in its sector enjoying a recall based on product longevity ('Forever New').

Human capital
Greenply has a team size of 5,233 experienced and skilled members; over 25% of the workforce has been with the organisation for more than five years.

AT THE INDUSTRY LEVEL

Extensive
What started with the manufacture of plywood has extended to laminates and MDF; the plywood division accounted for only 48% of the Company's revenues in 2013-14.

Market share
While the industry is dominated by unorganised players, Greenply accounts for 32% of India's organised plywood market, 28% of its organised laminates market and 30% of its MDF market.

AT THE MARKET LEVEL

Network
The Company enjoys an extensive presence across 500 cities and 46 marketing offices across 21 states through a robust network of 15,000 distributors, dealers, sub-dealers and retailers; average daily sales stood at ₹7.19 crore in 2013-14.

Global presence
The Company enjoys a global sales footprint across 100 countries for Greenlam, its flagship decorative laminate brand.

Enduring relationships
The Company enjoys long-term relationships with interior designers, architects, contractors, carpenters and retailers leading to product use and customisation.

AT THE PLANT LEVEL

Competitive advantage
The Government of India restricted the issue of plywood manufacturing licenses owing to stringent environmental considerations. The Company's experience and infrastructure (marketing, distribution and manufacturing) represent an edge over existing players.

Strategic locations
Greenply's facilities are proximate to raw material sources and consumption hubs. Its Nagaland and Uttarakhand units are located near abundant timber sources; the West Bengal and Gujarat units are proximate to ports; its Tizit, Pantnagar and Nalagarh plants are located in tax-efficient states.

Plywood business overview

"WE ARE REDEFINING OUR BUSINESS MODEL THROUGH BACKWARD INTEGRATION"

Rajesh Mittal, Managing Director, reviews the health of the Company's plywood business

How did the Company's plywood business perform during the year under review?

The Company performed creditably during a challenging year, validating our conviction that our brand would consistently outperform GDP and sectoral growth. The industry was affected by currency fluctuations, sluggish demand and consumer downtrading. If our plywood business outperformed the country's plywood business by reporting a 10% topline growth, it was because consumers tended to take refuge in the most credible brands like ours during slowdowns with the objective to get the best value for their spending.

What was creditable is that our plywood business reported a 5% increase in average per unit realisation in a weak year on account of an improved product mix (more value-added products). This improvement in our product mix was best showcased via our premium product Club Plywood, which reported realisations 20% higher than the average and accounted for 6% of our plywood offtake. It is this volume-value mix that translated into a favourable year for our business in 2013-14.

What were some of the major challenges faced by the business during the last fiscal?

There was a slowdown in real estate sales. A number of real estate investors were not interested in fit-outs, which affected plywood offtake. Dealers and channel partners experienced lower demand; a large proportion of customers began to demand longer credit. What is creditable is that the brand was able to maintain a receivables cycle at 67 days of turnover equivalent (against 74 days in the previous year) despite challenging market conditions. The business sustained operating margins at 10.31% against 10.56% in the previous year.

How did the Company strengthen its brand in 2013-14?

The Company continued to believe that the best way to counter the slowdown was to spend one's way out of it. In line with this conviction, Greenply invested 3% of its revenues in brand building initiatives, including various activities directed at dealers and opinion makers. The result was that despite challenging markets, we were able to pass on cost increases to customers. During the course of the year, a brand survey indicated that the Greenply brand enjoyed a higher recall over sectoral peers, translating into a 32% share of the country's plywood market.

In what other ways did the business strengthen its working during the financial year under review?

We enhanced shopfloor productivity, we invested in plant modernisation to reduce thickness variation and improve quality, we added customised products to our portfolio, we introduced laminated plywood and laminated/veneered doors. We integrated backwards by investing in approximately 100 acre timber plantation, which will start generating returns after a seven-year gestation and address a major part of our Nagaland timber requirements. In the hinterland of the Tizit plant, we distributed 10 lacs seedlings to farmers who will exclusively supply the timber to us, creating a win-win situation. We are planning to replicate the model in other areas of our national presence. This is in line with the Chinese model which allows China to meet 60% of the world's plywood requirements and its domestic timber needs through captive plantations. Besides, we are in the process of setting up a plant at Myanmar to add raw material value for onward export to India following the Myanmar Government's decision to ban log exports.

What is the plywood business outlook for 2014-15?

Despite the ongoing economic slowdown, the plywood business expects to report a 12% growth in the next fiscal with better product pricing, loyalty programmes (for carpenters and architects) and higher brand spending.

PLYWOOD AND ALLIED PRODUCTS

₹ 1,037.30 CRORE

Net sales against ₹940.17 crore in 2012-13

₹ 106.96 CRORE

EBIDTA against ₹99.26 crore in 2012-13

₹ 64.70 CRORE

Profit before tax against ₹70.01 crore in 2012-13

48%

Contribution to the Company's total revenue

Overview

Greenply is a leading manufacturer of quality plywood and allied products. Greenply offers a range of quality plywood made from A+ grade timber which undergoes stringent manufacturing interventions to make it termite and borer resistant.

Greenply was the first in the country to introduce a lifetime guarantee for high-end products (Green Club and Club Plus premium plywood). Greenply products conform to global quality standards (CE, FSC and ISO benchmarks), which testify qualitative and environmental compliance.

Greenply has four plywood manufacturing plants (cumulative capacity of 32.40 million square metres). The manufacturing plants (two in Eastern and one each in Northern and Western India) are located near raw material sources or ports. The Tizit (Nagaland) and Pantnagar (Uttarakhand) plants are proximate to raw material resources, helping source timber from local farmers. The Kriparampur (West Bengal) and Bamanbore (Gujarat) plants import wood from South East Asia and Africa.

MANUFACTURING UNITS

Installed capacity: 32.40 million square metres | **Capacity utilisation:** 107%

TIZIT, NAGALAND	KRIPARAMPUR, WEST BENGAL	BAMANBORE, GUJARAT	PANTNAGAR, UTTARAKHAND
Installed capacity: 4.50 million square metres	**Installed capacity:** 6.00 million square metres	**Installed capacity:** 11.40 million square metres	**Installed capacity:** 10.50 million square metres
Capacity utilisation: 99%	**Capacity utilisation:** 125%	**Capacity utilisation:** 84%	**Capacity utilisation:** 125%

Competencies

Product mix: A diversified product mix within the plywood niche comprises high quality plywood and block boards in several sizes and thicknesses. Following the introduction of products like laminated plywood and laminated/veneered doors, Greenply increased its share of the organised plywood industry to 32% in 2013-14.

Cost control: The Company's strategic locations made it possible to supply products pan-India, saving on freight and transportation costs. The Company is amongst the largest Indian timber buyers with bulk buying giving it favourable economies-of-scale.

Tax benefits: Greenply's tax-efficient locations (Nagaland and Uttarakhand) contributed 48% of the total plywood revenue.

Dealer base: The Company increased its dealer base to 15,000.

Regulated industry: Greenply enjoys a competitive advantage as the government's restricted issuance of licenses in this segment has increased industry entry barriers for new entrants.

Highlights, 2013-14

- The plywood division grew net sales by 10.33% from ₹940.17 crore to ₹1,037.30 crore, accounting for 48% of the Company's revenues
- The division strengthened sales to 44.51 million square metres against 41.54 million square metres in the previous years
- Capacity utilisation was 107% against 106% in 2012-13

Brand management

The Company is in complete cognisance of the fact that branding, by intent, is an important differentiating strategy, in a competitive market environment. A strong brand identity can affect consumer behaviour by building an emotional connect and reinforcing buying habits. This is precisely the reason why Greenply has invested aggressively on branding, over the years, in a traditionally low-involvement category.

Greenply Plywood has been strongly positioned under the theme of durability, lending it a crucial category benefit. The Company's current communication proposition is based on 'Forever New' – remaining relevant with passage of time.

The marketing of the plywood segment is largely channel dependent. However, the marketing strategy of the Company has revolved around through the line (TTL) initiatives - a strategic mix of ATL (TV, radio, cinema, digital, print) and BTL (promotional collaterals, channel and influencer meets, among others) activities. These initiatives were undertaken to connect to the prospective customers (end consumers, channels, and influencers) building motivation amongst the channel partners and influencers on the one hand and inducing loyalty on the other.

As the organised market pie is primarily dominated by few national and regional players, it has become imperative to spend time and invest prudently in researching, defining, and building the brand to gain a larger share of the aforementioned pie.

Annual marketing expenditure accounted for approximately 2.32% of the net sales of the Company during the year. In aggregate, nearly ₹77 crore have been invested over the last three years in different brand building initiatives.

Decorative business overview

"WE INTENSIFIED OUR MARKETING INITIATIVES, STRENGTHENED OUR BRAND AND GREW REVENUES"

Saurabh Mittal, Joint Managing Director & CEO, reviews the health of the decorative business

Q How did the laminates business perform during the year under review?

A The laminates business outperformed the rest of the industry. Even as the country's laminates business was flattish during the year under review, Greenply's laminates business grew by 12.14%. When viewed against the fact that the country's GDP grew by less than 5% during the year under review, this performance must be seen positively. As it turned out, we grew laminate revenues from ₹685.85 crore in 2012-13 to ₹769.08 crore in 2013-14. Despite consumers postponing purchases, our laminates business reported an EBIDTA margin of 12.05% during the year under review.

Q What were the factors that made this outperformance possible?

A **One,** we recognised that complexity of a challenging marketplace could not be competently addressed by a handful of individuals. In view of this, we created a team comprising individuals with specific competencies to share their knowledge and experience, leading to enhanced effectiveness.

Two, we introduced innovative products addressing existing and emerging requirements in a business where preferences keep evolving. The result was that we were able to excite customers (trade partners) and consumers (eventual buyers) through the course of the year, a result that clearly reflected our brand efficiency.

Three, we recognised that mere product innovation would not do; we would need to provide a range of products across price points – from the mid-end to the exclusive – addressing a variety of applications. The result is that our products now extend from ₹250 per sheet to ₹20,000 per sheet. More importantly, we reinforced the perception of Greenlam being a one-stop-shop.

Four, we ensured that our products were available in the vicinity of the major consumption points within and outside India. As a result, our products were available in retail centres across 100 countries, progressively evolving us from an Indian label to an international brand.

Five, we reinforced our market presence with tactical marketing spends - spending higher despite the slowdown - as a result of which Greenlam carved out a 28% market share and reinforced its industry leadership in a competitive environment.

Six, rather than address only the challenging external environment, we also focused on a higher capacity utilisation and value engineering, which helped moderate cost increases and protect our margins.

Q How is the management strengthening this business?

A Over the last few years, the management invested extensively in growing the scale and brand of this business. The time has come to consolidate, intensify marketing initiatives, strengthen the brand, grow revenues through higher asset utilisation (as opposed to fresh capex) and increase profits which can be deployed into the business as opposed to seeking external funds. Clearly the focus will be on reinforcing the health of the business via a palpable growth in revenues, margins and return on employed capital.

Having said this, let me add that we are extending to the manufacture of engineered veneer flooring, which will be the first time the product will be introduced in the country (first half, FY 2015). There is a 120 million square metre global market for this product. The market within India for this product is 2.5 million square metres and we are optimistic that it will grow 25% annually, a fact which we are addressing through a timely capex of ₹120 crore and one million square feet per annum capacity.

We are also engaged in the addition of pre-laminated particle boards to our portfolio to complement the marketing of high pressure laminates, enhancing our OEM presence.

Q Is the Company's laminate business globally competitive?

A As long as our performance was unified with that of the plywood business, this was the one point that we could not effectively emphasise on. Our laminates business is globally competitive for some pertinent reasons: we are positioned as a global brand with a focus on international sales as opposed to Indian companies who market products internationally as an afterthought; we possess a distribution network (hub and spokes model) that makes it possible for us to reach our products with a greater speed than competitors who might possess manufacturing facilities in those specific regions; we provide products that are benchmarked with evolving global designs; we have more than 80 dedicated employees in the international market to widen our global footprint. This is the result: we are growing our revenues at a rate of 24% in the global laminates sector.

Q What gives you the optimism that the laminates business will grow?

A The business addresses a worldwide opportunity of over $7 billion for laminates and compact laminates with a domestic market size of $800 million, which represents attractive opportunities. With a production of 10.76 million sheets in 2013-14, we were the third largest producer in the world. However, what makes this achievement fascinating is that we are growing at a rate of 12% (2013-14) which makes us possibly the fastest growing in our space in the world. As a result, we are not merely optimistic of our prospects within India; considering that we generate 47% of our revenues from the international markets, we are optimistic of enhancing our global visibility and footprint. Besides, the proposed demerger will probably attract focused investors who will provide us with the resources to scale the business and emerge as one of the most prominent global brands over the foreseeable future.

Q How is the Company's Balance Sheet positioned with respect to this optimism?

A The business is profitable, generating an EBIDTA of ₹275.84 crore in 2013-14 with an interest cover of 4.55, which indicates that we are attractively liquid. We are largely well-expensed so investors will not need to worry about more debt on the Balance Sheet; in fact, if anything, we expect to utilise our cash flows to de-leverage and emerge as the most attractive proxy of a business that we think has remarkable scope over the coming years.

Q What is the overall message that you want to send out to your shareholders?

A That regardless of a challenging market environment when most players in our place would have been affected, we launched fresh products, entered new markets and strengthened our brand. We will be in the right place at the right time with the right products to enhance profits and margins as soon as the economy rebounds.

LAMINATES AND ALLIED PRODUCTS

₹ 767.99 CRORE

Net sales against ₹683.34 crore in 2012-13

₹ 92.53 CRORE

EBIDTA against ₹81.35 crore in 2012-13

₹ 45.70 CRORE

Profit before tax against ₹41.46 crore in 2012-13

36%

Contribution to the total revenue

Overview

The Company's Greenlam brand is one of the leading laminate brands in India, offering a range of innovative designs and textures. Greenlam offers a range of innovative designs and special textures, which redefined industry standards.

Greenply is among only few Indian manufacturers to export laminates under its own brand. Greenply is the first in the Indian industry and the only non-US company to be accredited with the 'Greenguard' certificate for Greenlam laminates. Greenply grew its market share following improvements in quality, reliability, distribution network, cost-effectiveness and brand strategy.

The Company operates two laminate and one decorative veneer manufacturing unit in Rajasthan and Himachal Pradesh. The Company's product quality is certified by ISO 9001, ISO 14001 and OHSAS 18001.

MANUFACTURING UNITS

Installed capacity:

Laminates: 10.02 million sheets

Decorative veneers: 4.20 million square metres

BEHROR, RAJASTHAN

Laminates

Installed capacity: 5.34 million sheets

Capacity utilisation: 103%

Decorative Veneers

Installed capacity: 4.20 million square metres

Capacity utilisation: 26%

NALAGARH, HIMACHAL PRADESH

Laminates

Installed capacity: 4.68 million sheets

Capacity utilisation: 112%

Competencies

Capabilities: The Company has in place a 10.02 million sheet capacity (per annum) and has invested in technology to enhance efficiency and capacity utilisation.

Tax benefit: The Company's Nalagarh plant is located in a tax-efficient state, generating ₹343.93 crore worth of revenues.

Global: Greenply's wholly-owned subsidiary Greenlam Asia Pacific Pte. Ltd. (Singapore) addresses the laminate markets in South East Asia while Greenlam America, Inc. (USA) is engaged in marketing and distributing high-pressure laminates in North and South America. Exports accounted for 47% of the division's revenues in 2013-14.

Highlights, 2013-14

- The laminates division grew net sales by 12.39% from ₹683.34 crore to ₹767.99 crore
- Strengthened production to 10.76 million sheets against 10.37 million sheets in the previous year
- Capacity utilisation stood at 107% against 104% in 2012-13
- Strengthened average realisations from ₹566 per sheet in 2012-13 to ₹618
- Grew exports by 24% from ₹255.62 crore in 2012-13 to ₹315.87 crore
- Increased net realisation of decorative veneers to ₹807 per square metre (₹708 per square metre in 2012-13)

Plant-level initiatives

- Acquired MR technology equipment to produce innovative scratch-resistant laminates.
- Enhanced process standardisation and wastage management, vindicated by the fact that the Company reported a 3.76% higher production over the previous year using same manpower and capacity.
- Reported wastage of less than 1.5% of the laminates produced.
- Imparted relevant training which enhanced employee responsibility and accountability.
- Upgraded heating sources, providing consistent temperature along with fuel efficiency.
- Upgraded the chemical resin plant.

Greenlam Laminates *Zamaane ko sajaana hai*

- Added new designs, colours and conducted R&D activities in the area of product development.
- The Nalagarh plant became a zero discharge plant (one-of-its-kind in India).

Outlook

Going ahead, the Company intends to invest in procedural improvements and towards enhancing capacity utilisation.

Pioneering achievements

- First to get 'Green Guard' certification in India
- First to introduce compact laminates in India
- First to introduce uni-colour laminates in India
- First to introduce scratch-resistant laminates in India

Brand management

A significant chunk of the Indian middle class is aspiring for a better life quality, investing in interiors and opting for aesthetic brands. This category in which the Company operates (laminates and veneer) is marked by low awareness, making it imperative for the Company to educate customers.

The division invested over 4% of its total expenses in marketing and brand building. Greenlam was positioned itself as a leading brand in the decorative laminates category synonymous with trust. The brand invested in the latest technologies leading to product innovation.

In 2013-14, the Company introduced a 'transformation agent' *('saundarya premi')* to drive brand saliency, engage end-users and rekindle the need to beautify one's interiors. The Company leveraged the use of various media (television, cinema screening, wireless and digital) in English and vernacular tongues. The Company promoted the brand across 70 channels in the same time band and thrice in the prime time band.

MDF business overview

"OUR FOCUS WAS ON EXPANDING THE MDF MARKET"

Shobhan Mittal, Executive Director, reviews the health of the MDF business

Q How did the MDF segment perform during the fiscal under review?

A The MDF business experienced lower demand as the market conditions remained challenging throughout the year under review. A majority of MDF demand was derived from the commercial sector, which in itself faced a serious slowdown resulting in sectoral de-growth. The MDF segment was represented by five major players (aggregate capacity 1,500 cubic metres per day). Greenply, despite being one of the largest MDF players contributing 40% of the total installed capacity, suffered from low capacity utilisation. Even as we maintained per unit profitability, overall profitability declined.

Q What were the product strengths?

A We provided customers with the best quality, emerging as the only player with European technology. We leveraged a flexible portfolio with the ability to meet diverse customer needs. The Company showcased its ability to be present in different product categories (value-added to value-for-money) making our product range the widest in the country.

Q What steps did the Company take to overcome these challenges

A Over the last three years, there was no focus on expanding the market as there was plentiful demand. But following a slowdown in the last year, the Company felt an urgent need to look elsewhere. So we launched the following initiatives: we launched different products not limited to the MDF business but capable of competing with the unorganised cheaper plywood segment. This widening of the market helped expand the Company's presence in the economic plywood segment valued at more than ₹12,000 crore. The Company prudently selected this segment as competition was limited; other MDF players were not as flexible in manufacturing different products. Greenply successfully graduated out of the standard MDF market, marked by increasing imports, on the back of technological superiority (different sizes and thickness).

Q What makes you optimistic about this business?

A India's MDF market is under-penetrated with a consumption of just 0.5 million cubic metres against China's 30 million cubic metres. Plywood is a highly regulated market with a high entry barrier making it simpler to manufacture engineered MDF products. Greenply created products catering specifically to the economic segment, these products now comprise 25% of our portfolio. There is a growing traction for our branded products over plywood manufactured by the unorganised sector.

Q What are the principal challenges affecting the segment?

A Firstly, there is a need to educate people about MDF; there is a need to assure consumers that MDF is qualitatively superior with no thickness deviation. As a means to this end, the Company attempted to make MDF a part of the AICTE (All India Centre for Technical Education) curriculum for the benefit of interior designers and architects. Besides, we made presentations to governmental bodies (including Public Works Departments) to get MDF approved as a product. The other challenge is that carpenters are not keen on using MDF instead of plywood as they lack the necessary expertise.

Q What are your expectations from 2014-15?

A We increased our employee headcount and will introduce more value-added products. The flooring segment will be commercialised in the first quarter of 2014-15, enriching our product mix. We expect to see the impact of these measures over the next fiscal via an increase in capacity utilisation.

MEDIUM DENSITY FIBREBOARD (MDF)

₹ 352.72 CRORE
Net sales against ₹374.18 crore in 2012-13

₹ 76.35 CRORE
EBIDTA against ₹80.85 crore in 2012-13

₹ 38.97 CRORE
Profit before tax against ₹39.91 crore in 2012-13

16%
Contribution to the total revenue

Overview

MDF is an engineered product made from composite wood and considered an alternative to plywood.

Greenply's MDF facility in Pantnagar (Uttarakhand) is the country's largest wood-based MDF plant and most advanced, utilising a continuous press system. This first-of-its-kind facility in India (1,80,000 cubic metres per annum) incorporates latest European technologies. MDF is manufactured from 100% renewable and sustainable timber.

Greenply's MDF, marketed under the Green Panelmax brand, is made with unique fibre-interlocking technology leading to high bonding strength and rigidity. The product is loaded with features making it useful for strong and durable furniture. The Company markets products through a strong supply chain, resulting in extensive reach.

Competencies

State-of-the-art facility: The Company's MDF facility is the country's largest wood-based MDF plant and the most technologically advanced (continuous press system) resulting in product consistency.

Strength: Greenply's MDF boards possess tough resistance through the unique interlocking technology.

Quality: The Company's products possess a smooth finish due to superior machining. The latest testing technology guarantees consistent surface density and thickness.

Eco-friendly: The Company's MDF boards are produced from 100% renewable and sustainable timber sourced from agroforestry plantations (trees with a lifecycle of three to four years), minimising forest depletion.

Product portfolio: The Company was the first in India to offer a wide range of MDF boards across thicknesses (2.5mm-35mm) and sizes (8'x4', 8x6', 7'x6', 7'x4' and 6'x4') ranging from plain, pre-laminated and veneered MDF boards.

Brand management

At Greenply, branding activities is not about getting our target market to choose us over the competition, but it is about getting our prospective customers to see us as the only one that provides a solution to their problems. As a means to this end branding activities at Greenply are mediated towards developing and aligning expectations with the brand experience thereby creating an indelible impression on the minds of our customers.

The year 2013-14, saw a calculated shift in the brand strategy - promoting Green Panelmax as a product (MDF), and hence focusing primarily on educating, exposing and familiarising potential customers with key attributes of MDF as a means to build a brand image for a product that's still is in a nascent stage. The Company branded Green Panelmax as a new-age product, a natural evolution, in terms of usage and application, following timber and wood. This strategy is focused on increasing the market share through targeting existing MDF users, presently loyal to competitive brands but targeting the entire market, including those who have been using alternate products like timber or low-quality plywood, so far.

FINANCE REVIEW, 2013-14

Accounting policy

The Company prepared its accounts under the historical cost convention method with generally accepted accounting principles (GAAP) as prescribed by the Institute of Chartered Accountants of India and as per the directives of the Companies Act, 1956.

Performance

(₹ in lacs)

	2013-14	2012-13	Growth
Total revenue	2,16,627.42	2,00,731.34	7.92%
EBIDTA	27,583.99	26,146.11	5.50%
PAT	11,446.67	11,416.16	0.27%
Cash profit	17,203.53	16,614.90	3.54%
EPS	47.42	47.30	0.25%
EBIDTA margin (%)	12.78	13.09	(31) bps
PAT margin (%)	5.30	5.43	(13) bps
ROCE (%)	15.91	18.30	
RONW (%)	19.64	23.94	

Revenue analysis

The Company's total revenues increased by 7.92% from ₹2,00,731.34 lacs in 2012-13 to ₹2,16,627.42 lacs in 2013-14, largely on account of higher sales and increase (although marginal) in the Other Income component.

Income by segment

In 2013-14, the Company derived revenues from various segments – plywood and allied products, laminates, decorative veneers and MDF.

Business divisions	2012-13		2013-14		Growth over the previous year (%)
	Revenue (₹ in lacs)	Proportion of net sales (%)	Revenue (₹ in lacs)	Proportion of net sales (%)	
Plywood and allied products	94,070.59	46.98	1,03,809.38	48.05	10.35
Laminates and allied products	68,585.38	34.25	76,908.10	35.60	12.14
Medium density fibreboards	37,457.74	18.71	35,323.03	16.35	(5.70)
Others	129.76	0.07	21.49	0.01	-
Total	**2,00,243.47**	**100.00**	**2,16,062.00**	**100.00**	**7.90**

Plywood division: Revenues from this segment increased by 10.35% from ₹94,070.59 lacs in 2012-13 to ₹1,03,809.38 lacs in 2013-14, largely on account of a better product mix with a focus on value-added products. This also led to an increase in realisations by 3.26% to ₹222 per square metre.

Laminates division: Revenues from this segment grew by 12.14% from ₹68,585.38 lacs in 2012-13 to ₹76,908.10 lacs in 2013-14, driven by deeper product penetration. A 9.19% growth in net realisations was a result of the Company's focus on launching innovative products, addressing existing and emerging requirements. The laminates division accounted for 35.60% of the net revenue in 2013-14 and exports grew 23.57% from ₹25,562.11 lacs in 2012-13 to ₹31,586.68 lacs in 2013-14.

Medium density fibreboard (MDF) division: Revenues from the MDF segment declined marginally by 5.70%, largely on account of the commercial sector-led slowdown, impacting demand. The division accounted for 16.35% of the net revenue in 2013-14, against 18.71% in the previous year.

Income by geography

Domestic revenues: Income from the domestic markets increased by 5.95% from ₹1,76,869.55 lacs in 2012-13 to ₹1,87,396.44 lacs in 2013-14, largely due to stronger market penetration and enhanced sales from value-added products.

Export revenue: Export income comprised 14.64% of the 2013-14 revenue (12.80% in the previous year). Exports increased by 23.57% from ₹25,562.11 lacs in 2012-13 to ₹31,586.68 lacs in 2013-14.

Revenue by sources

Other income decreased from ₹694.57 lacs in 2012-13 to ₹675.62 lacs in 2013-14. Other income, as a proportion of total revenue, stood at 0.31%, reflecting the Company's focus on its core business.

Cost analysis

The Company's operating costs increased by 8.37% from ₹1,78,656.32 lacs in 2012-13 to ₹1,93,609.47 lacs in 2013-14, largely owing to an increase in the volume of operations and increase in employee benefits expenses. Operating cost, as a proportion of total revenues, stood at 89.37% in 2013-14, compared with 89.00% in 2012-13.

Raw material: Raw materials consumed increased by 4.64% from ₹1,11,481.62 lacs in 2012-13 to ₹1,16,656.21 lacs in 2013-14, owing to increase in scale of operations. Some of the major raw materials consumed comprised paper, timber and chemicals. Of the raw materials, 45.48% (by value terms) were imported.

Personnel expenses: Personnel expenses increased from ₹16,167.72 lacs in 2012-13 to ₹19,351.17 lacs in 2013-14, owing to increased salaries and wages.

Other expenses: Other expenses increased by 3.90% from ₹38,712.39 lacs in 2012-13 to ₹40,222.75 lacs in 2013-14. Manufacturing cost as a proportion of the total income stood at 5.55% in 2013-14, against 6.55% in 2012-13. The Company's power and fuel costs declined by 11.18% from ₹10,016.13 lacs in 2012-13 to ₹8,896.42 lacs in 2013-14 owing to greater control over fuel consumption.

Analysis of the Balance Sheet

Sources of funds

Particulars	2013-14 (₹ lacs)	Percentage of capital employed	2012-13 (₹ lacs)	Percentage of capital employed
Equity share capital	1,206.82	0.92	1,206.82	1.04
Reserves and surplus	57,075.81	43.73	46,480.03	40.11
Net worth	**58,282.63**	**44.65**	**47,686.85**	**41.15**
Loan funds	67,398.43	51.63	64,179.26	55.37
Deferred tax liability	4,860.96	3.72	4,033.45	3.48
Capital employed	1,30,542.02	100.00	1,15,899.56	100.00

Capital employed

The Company's total capital employed increased by 12.63% from ₹1,15,899.56 lacs as on March 31, 2013 to ₹1,30,542.02 lacs as on March 31, 2014, largely on account of an increase in reserves and surplus, which rose by nearly 22.80%, whereas loan funds increased by only 5.02%. Return on capital employed, a tool to measure the return for every rupee invested, decreased by 239 bps from 18.30% in 2012-13 to 15.91% in 2013-14, owing to capital employed in expansion projects which did not commence.

Net worth

The Company's net worth stood at ₹58,282.63 lacs as on March 31, 2014, which rose by 22.22% compared with ₹47,686.85 lacs as on March 31, 2013. This increase was due to a rise in the reserves and surplus. Net worth, as a proportion of total capital employed, increased from 41.15% in 2012-13 to 44.65% in 2013-14.

The Company's equity share capital comprised 2,41,36,374 fully-paid equity shares with a face value of ₹5 each. The promoter group held a 55% stake in the Company's equity as on March 31, 2014.

Reserves and surplus increased from ₹46,480.03 lacs as on March 31, 2013 to ₹57,075.81 lacs as on March 31, 2014, registering an increase of 22.80%. As a proportion of the capital employed, this component rose to 43.73% in 2013-14 from 40.11% in 2012-13. The principal reason for the increase was the rise in general reserves, which increased by 21.28% from ₹6,578.58 lacs as on March 31, 2013 to ₹7,978.58 lacs as on March 31, 2014 (owing to increased plough back).

Loan funds

The Company's long-term debt-equity ratio in 2013-14 stood at 0.66 against 0.72 in 2012-13, largely owing to a rise in reserves and surplus. Loan funds (long-term and short-term) increased by 5.02% from ₹64,179.26 lacs as on March 31, 2013 to ₹67,398.43 lacs as on March 31, 2014.

The Company's overall debt-equity ratio improved from 1.35 in FY 2012-13 to 1.16 in FY 2013-14.

Interest costs declined by 4.00% in 2013-14 from ₹6,072.18 lacs in 2012-13 to ₹5,829.46 lacs in 2013-14, resulting in a better interest coverage of 4.55x during the year.

Application of funds

Gross block

The Company's tangible fixed asset increased marginally by 5.46% from ₹64,345.68 lacs as on March 31, 2013 to ₹67,856.96 lacs as on March 31, 2014, whereas intangible assets declined by 19.26% from ₹833.16 lacs in 2012-13 to ₹672.71 lacs in 2013-14, owing to depreciation.

Capital work-in progress increased by 306.43% in 2013-14, from ₹2,337.08 lacs as on March 31, 2013 to ₹9,498.60 lacs as on March 31, 2014. The increase was mainly due to the new product line being installed for laminated and engineered veneer floorings.

Working capital management

Liquidity indicators

	2011-12	2012-13	2013-14
Current ratio	1.06	1.05	1.04
Quick ratio	0.59	1.05	0.95

Total current assets as on March 31, 2014 stood at ₹85,345.56 lacs against ₹78,977.77 lacs as on March 31, 2013, demonstrating an increase of 8.06%. The Company's current ratio stood at 1.06 as on March 31, 2014, against 1.05 as on March 31, 2013.

Inventories: An increase in finished and semi-finished goods along with raw materials led to inventories (44.86% of the total current assets as on March 31, 2014) increase by 16.76% from ₹32,791.39 lacs as on March 31, 2013 to ₹38,287.71 lacs as on March 31, 2014. Inventory-turnover cycle stood at 65 days of net turnover equivalent as on March 31, 2014, compared with 60 days as on March 31, 2013.

Debtors: Outstanding debt from debtors stood at ₹35,027.97 lacs as on March 31, 2014, against ₹34,320.70 lacs as on March 31, 2013, representing an increase of 2.06%. The debtors' cycle decreased to 59 days in 2013-14 from 63 days in 2012-13, largely owing to the Company's policy of sticking strictly to its credit terms. Debtors outstanding for more than six months comprised 2.64% of the total debtors in 2013-14, compared with 2.02% in 2012-13.

Cash and bank balance: Cash and bank balances declined from ₹1,627.82 lacs in 2012-13 to ₹1,079.87 lacs in 2013-14, owing to the Company's policy of parking surplus funds in cash credit accounts.

Loans and advances: The Company's short-term loans and advances increased by 6.93% from ₹10,212.24 lacs as on March 31, 2013 to ₹10,920.07 lacs as on March 31, 2014.

Current liabilities: The Company's total current liabilities increased by 7.23% from ₹74,796.01 lacs as on March 31, 2013 to ₹80,201.99 lacs as on March 31, 2014, mainly due to an increase in other current liabilities and trade payables, which increased from ₹44,001.89 lacs in 2012-13 to ₹50,270.34 lacs in 2013-14, rising by 14.25%.

Taxation: Total tax burden of the Company includes current tax and deferred tax. Tax liability declined by nearly 6.22% from ₹3,722.41 lacs as on March 31, 2013 to ₹3,490.73 lacs as on March 31, 2014. Greenply enjoyed tax benefits at its manufacturing units in Nagaland, Uttarakhand (plywood and MDF units) and Nalagarh. The plywood facility in Nagaland enjoyed 100% corporate tax and excise duty refund on value-addition for 10 years (from 2005-06 onwards). The other units enjoyed excise exemption for 10 years and corporate tax benefits of 100% for the first five years and 30% for the next five years.

Foreign exchange management: The Company engaged in ₹76,025.36 lacs of foreign exchange transactions (imports of ₹48,058.60 lacs and export of ₹27,966.76 lacs in 2013-14). During the year under review, the Company incurred a forex loss of ₹1,885.64 lacs against a loss of ₹698.71 lacs in the previous year.

DE-RISKING THE BUSINESS

INDUSTRY RISK

A downturn in user industries could adversely affect growth

- Foreign direct investment in India's real estate sector is expected to grow from US$ 4 billion to US$ 25 billion in 10 years.
- The sector's growth is being driven by urbanisation, nuclear families, favourable demographics, improving infrastructure and higher incomes.
- Demand for housing units is expected to register a significant growth of more than 40% by end-2014.

MARKETING RISK

Inability to address customer needs may diminish market share.

- Greenply offers the largest range of interior infrastructure products (plywood, MDF and laminates).
- The Company offers the widest sectoral network of 15,000-plus retail outlets.
- The Company makes periodic product introductions, widening choice.
- The Company enjoys a market-leading share of 32% in plywood, 28% in laminates and 30% in MDF.

BRAND RISK

Inability to keep pace with evolving preferences could hamper profitability.

- The Company focused its branding around product longevity.
- Greenply has embarked on a 360-degree brand building exercise comprising successful promotional initiatives and engaging customers across multiple points resulting in an integrated communication approach.
- The Company keeps in constant touch with opinion makers like interior designers and architects.
- The Company invested ₹58.07 crore in branding in 2013-14.

LIQUIDITY RISK

Insufficient funds could weaken operations.

- The Company is adequately funded in terms of its working capital requirements through a consortium of nine banks.
- Greenply enjoyed a comfortable debt-equity ratio of 1.16 at the close of 2013-14 (1.35 in the previous year).
- The Company's receivables cycle stood at a comfortable 59 days of turnover equivalent (63 days in 2012-13) despite an 8.03% turnover growth and a weak economy.

COSTS RISK

An inability to control costs could impede growth

- Greenply's plants are strategically located across the country proximate to raw materials or ports or markets.
- The Tizit plywood unit enjoys 100% corporate tax and excise exemption for 10 years starting FY06; the Pantnagar Plywood unit enjoys excise exemption for 10 years (from 2006-07) and corporate tax exemption for first five years; the Nalagarh Laminate and Pantnagar MDF units enjoys excise exemptions for 10 years and tax exemption for five years starting FY 2010.

QUALITY RISK

Any deviation from quality standards could dent brand value.

- Greenply invested in world-class manufacturing technologies.
- All the Company's units are ISO 9001-certified.
- The Company was granted the 'Ecomark' license from BIS, vindicating Greenply's environment-friendliness.
- The SAP-based ERP has enhanced informed decision-making.

INFORMATION TECHNOLOGY

Information technology, internally, helps attract and retain top talent; increase satisfaction, engagement and loyalty; create a culture of involvement, motivation, trust and shared purpose. Externally, IT helps attract and retain high quality customers, suppliers, partners and investors; increase external stakeholders' satisfaction, engagement and loyalty.

The Company has initiated to implement SAP-GRC (Governance and Risk Control) to strengthen Company's governance in terms of user access on SAP with exceptional reporting in the first phase. This will help strengthen the internal controls through better accountability, enhanced reporting, resulting in faster decision making and better compliance in the system. With restricted control and enhanced reporting will help the Company shift from transactional checks to automated exception reporting, thus saving time, and reducing any errors within the system.

Overall, IT measures have been and will continue to be a strategic business lever enhancing and enabling key processes across the entire value chain your Company operates in.

CORPORATE SOCIAL RESPONSIBILITY

Greenply is committed to etch a smile on every face for every product that comes out of its assembly line. While the Company increases volumes, it is equally determined to ensure progressive development of the society.

Greenply undertakes a gamut of activities to address issues which ail our society. From rescuing and rehabilitating the girl child to enhancing societal sustainability and livelihood generation, Greenply has been literally pushing boundaries. With ongoing projects in Rajasthan, Uttar Pradesh and West Bengal, Greenply has shown a single-minded focus towards enriching the lives of the people.

With a battery of NGO partners in tow, Greenply has been able to create awareness regarding the despicable act of child marriage. It has also helped the rural populace become more aware of their rights and taken government schemes to the doors of the rural folk.

Greenply has played a pivotal role by informing adolescents about medical, health, education and livelihood related issues. The goal behind educating them is to make them self-sustaining and responsible members of society and thereby preserving India's future.

For long there has been an utter lack of awareness regarding an adolescent's reproductive and sexual health. Greenply has resolved to right this longstanding wrong via integrated health and development initiatives with a special focus on prevention of early marriage and pregnancy. The project intends to empower and educate adolescent boys and girls with life skills to enable them to take decisions related to their reproductive health. It is expected that this intervention would create an enabling environment at the community-level by addressing the problems head on and promoting adolescent health and development.

With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the boards of Indian companies.

Greenply is placed to respond positively to the reform measure undertaken by the government with a host of activities.

HUMAN RESOURCE MANAGEMENT

The Company not only believes in acquiring the right talent but also retaining and nurturing them. The Company aims each employee to enhance their learning by acquiring knowledge, sharpening skills, concepts and behaviour.

Greenply is committed towards reaching the highest possible levels of employee satisfaction, and is continuously seeking new and better ways to do so. In order to make the organisation robust, progressive and dynamic, the Company focused majorly on organisational development, employee engagement and talent management.

Recruitment: The Company implemented the recruitment planning process to manage the recruitment and staffing of all vacancies within the allocated recruitment budget. Greenply adopted the competency-based recruitment methodology, based on the ability and competencies of candidates which is assessed in a two phased selection process.

The Company has a fair and unbiased standard against which applicant competencies are assessed to match the targeted job profile.

Learning and development: Learning and development (L&D) is an organisational strategy that articulates the workforce capabilities, skills or competencies required to ensure a sustainable, successful organisation leading to organisational effectiveness.

The Company emphasised on the importance of strategic human resource management aligning to the overall business strategy. Over the years, HR transformation focused primarily on making existing HR functions more efficient and effective but today, HR capabilities must not only support the business, but enable business strategy.

Initiatives, 2013-14

During the year, HR played an important role in improving the Company's social performance by integrating sustainability initiatives across the organisation. The HR team were made strategic partners in embedding sustainability in corporate culture. The team enabled employees to work in a cross-disciplinary manner, leading to better orientation, communication and training to employees.

The integrated sustainability principles were imbibed across the unit, which not only meant attracting and retaining a qualified workforce and young people but also included improvement in employee well-being, motivation and skill development.

The Company complies to the best HR practices and standards including training initiatives, work-life balance programmes, occupational health and safety, equitable and incentive-driven remunerations, management of diversity, talent and succession.

Dear shareholders,

Your Directors are pleased to present the 24th Annual Report and audited accounts of the Company for the financial year ended March 31, 2014.

Financial highlights

The financial performance of the Company, for the year ended March 31, 2014 is summarized below:

(₹ in lacs)

Particulars	2013-14	2012-13
Profit before finance cost, depreciation and amortisation expenses and tax expenses	**26,523.72**	**26,409.49**
Less: a) Finance costs	5,829.46	6,072.18
b) Depreciation and amortisation expenses	5,756.86	5,198.74
Profit before tax	**14,937.40**	**15,138.57**
Provision for taxation	3,490.73	3,722.41
Profit for the year	**11,446.67**	**11,416.16**
Add: Balance brought forward from previous years	27,721.73	18,552.72
Amount available for appropriation	**39,168.40**	**29,968.88**
Appropriations:		
Proposed dividend on Equity Shares	724.09	724.09
Tax on distribution of dividends	123.06	123.06
Transferred to General Reserve	1,400.00	1,400.00
Balance carried to Balance Sheet	**36,921.25**	**27,721.73**

Review of operations

During the year 2013-14, your Company posted a stable performance with revenue growth of 7.92% to ₹2,16,627.42 lacs from ₹2,00,731.34 lacs for the year 2012-13. Profit for the year 2013-14 was ₹11,446.67 lacs in comparison to ₹11,416.16 lacs for the year 2012-13. The growth in the topline reflects the stable performance of your Company's business. This performance is particularly noteworthy when viewed against the backdrop of the challenging business context in which this was achieved, namely, the steep increase in cost of various raw materials and increased competition from the unorganised players.

Exports recorded a growth of 24.16% from ₹25,722.56 lacs in the previous year to ₹31,937.59 lacs in the current year.

As per the consolidated financial statements, the revenue from operation and profit for the year 2013-14 were ₹2,22,491.72 lacs and ₹11,757.24 lacs respectively.

The overall performance of the Company during 2013-14, amid an adverse economic scenario, vindicates the effectiveness of the abilities and prudency of the initiatives undertaken by Greenply's management to better exploit business opportunities.

During 2013-14, your Company continued its efforts in the area of product integration and deeper market penetration. Your Company continued to expand its export markets for laminates during 2013-14. Over the years, your Company has steadily grown as an interior infrastructure solutions provider, offering the gamut of products to satisfy customers' diverse requirement viz. plywood, laminates, decorative veneers and medium density fibreboard (MDF). Your Company is present across different price points to cater to all customers across the high-end, mid-market and value-for-money segments.

Dividend

Your Directors recommend a final dividend of 60% i.e. ₹3.00 per share (previous year ₹3.00 per share) on the Company's 2,41,36,374 Equity Shares of ₹5.00 each for 2013-14. The final dividend on the Equity Shares, if declared as above, would involve an outflow of ₹724.09 lacs towards dividend and ₹123.06 lacs towards dividend tax, resulting in a total outflow of ₹847.15 lac.

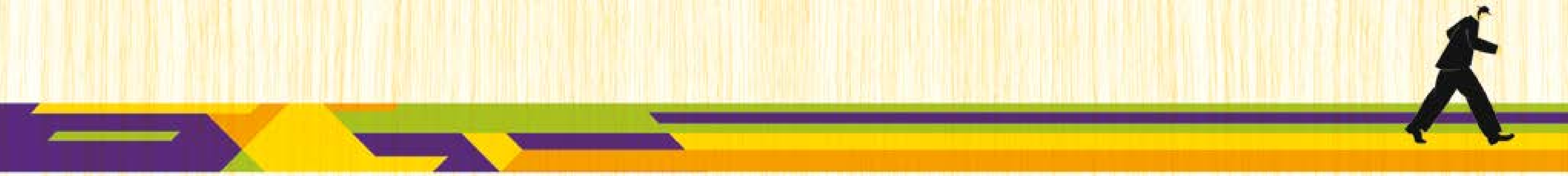
Outlook and expansion

The Company's outlook remains favourable on account of its product integration capabilities, growing brand popularity and the continuous support from its employees, shareholders, creditors, consumers, dealers and lenders. The Company's vision is to be a one-stop solution for all interior infrastructure products (in its field of operation) in the country. The Company's pan-India distribution network ensures easy availability of products in almost every part of India.

In respect of setting-up of the new MDF Unit in Andhra Pradesh, necessary steps are being taken to obtain various statutory approvals/licenses to set up the unit. Additionally, in respect of manufacture of new value added products in the Company's existing MDF Unit at Pantnagar, Uttarakhand, the lamination line has been commissioned and commercial production has commenced. The civil construction work and installation of machineries have been completed for the new production lines of flooring and UV coated panels and the trial production is in process. The flooring line is expected to commence commercial production shortly.

Further, in respect of expansion of the existing manufacturing unit of the Company at Behror, Rajasthan to manufacture new value added products viz. High-end Veneered Engineering Flooring and Pre-laminated Particle Board, the Company has completed purchase of Land adjacent to the Unit. Civil construction work is nearing completion and all the major equipment has been delivered at the site and are being installed.

In respect of setting-up of a Veneer or Veneer-cum-Plywood Unit in Myanmar, the Company had incorporated a subsidiary viz. Greenply Industries (Myanmar) Pvt. Ltd. in Myanmar and obtained approval of the Myanmar Investment Commission to set-up the Unit. The Company has already commissioned the veneering line and trial production has been started. We are in discussions with machine manufacturers for placing orders for plywood machines. Further, the Company has executed a joint venture agreement with Alkemal Singapore Pte. Ltd., Singapore in connection with owning and operating the said Myanmar Unit through an equally owned (50:50 investments owned directly or through subsidiary/affiliates) joint venture company in Singapore. GREENPLY ALKEMAL (SINGAPORE) PTE. LTD., a joint venture company of Greenply Industries Limited, India and Alkemal Singapore Pte. Ltd., Singapore has been incorporated as a Private Limited Company in



Singapore. The joint venture Company will, subject to necessary regulatory approvals, acquire and own 100% share of Greenply Industries (Myanmar) Pvt. Ltd.

Your Directors are confident of achieving significantly better results in the coming years.

Composite Scheme of Arrangement

Your Board of Directors, subject to approval of the concerned Authorities, approved a Composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited, a wholly owned subsidiary of the Company and their respective shareholders and creditors for the demerger of the Decorative Business (comprised of Laminates and Allied Products) of Greenply Industries Limited to Greenlam Industries Limited with effect from the Appointed Date i.e. April 1, 2013 or such other date as the Hon'ble High Court may direct. Further, upon the said Scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, Greenlam Industries Limited shall issue and allot to the shareholders of Greenply Industries Limited whose names appear in the register of members of Greenply Industries Limited as on the Record Date, 1 (One) equity share of INR 5.00 (Indian Rupees Five only) each in Greenlam Industries Limited, 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 Industries Limited. The equity shares to be issued pursuant to the Scheme in Greenlam Industries Limited will be listed with BSE Ltd. and National Stock Exchange of India Limited.

Credit Rating

During the year under review, your Company's long term credit rating has been upgraded by one notch to "CARE A" by CARE. Your Company continues to have second highest rating of "CARE A1" by CARE for short term banking facilities. This consistent improvement in rating reflects Company's commitment and capability to persistent growth through prudence and focus on financial discipline.

Subsidiaries

During the year under review, your Company has incorporated two overseas wholly-owned subsidiaries viz. Greenply Industries (Myanmar) Pvt. Ltd. in Myanmar and Greenply Trading Pte. Ltd. in Singapore and also incorporated two wholly-owned subsidiaries in India viz. Greenlam Industries Limited and Greenlam VT Industries Pvt. Ltd. Further, a wholly-owned subsidiary of the Company in United Kingdom viz. Greenlam Europe (UK) Limited has ceased to be a direct subsidiary of the Company and become a step-down subsidiary of the Company owing to fresh issue and allotment of shares by Greenlam Europe (UK) Limited to an existing wholly-owned subsidiary of the Company in Singapore viz. Greenlam Asia Pacific Pte. Ltd. Accordingly, as on March 31, 2014, your Company had eight overseas subsidiaries viz. Greenlam Asia Pacific Pte. Ltd., Singapore, Greenlam America, Inc., USA, Greenply Industries (Myanmar) Pvt. Ltd., Myanmar, Greenply Trading Pte. Ltd., Singapore, Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand, Greenlam Holding Co., Ltd., Thailand, PT. Greenlam Asia Pacific, Indonesia and Greenlam Europe (UK) Ltd., UK.

Greenlam Asia Pacific Pte. Ltd., Singapore is engaged in the business of trading of plywood, high pressure decorative laminates and allied products. Greenlam America, Inc., USA is engaged in the marketing and distribution of high-pressure laminates in North and South America. Greenlam Industries Limited, India is a newly incorporated subsidiary with an objective to carry on the business of manufacturing and trading of Decorative Laminates, High Pressure Laminates & allied products. Greenlam VT Industries Private Limited, India is also a newly incorporated subsidiary with an objective to carry on the business of manufacturing and trading of Doors and High-end Doors & allied products. Greenply Industries (Myanmar) Private Limited, Myanmar is incorporated as subsidiary with an objective to set-up plywood-cum-veneers manufacturing unit in Myanmar. Greenply Trading Pte. Ltd., Singapore incorporated as subsidiary with an objective to carry on the business of manufacturing and trading of Plywood, veneers & allied products and investment in the company manufacturing and trading said products.

Further, two Thai step-down subsidiaries Greenlam Asia Pacific (Thailand) Co., Ltd. and Greenlam Holding Co., Ltd. are engaged in the business of marketing and distribution of high-pressure laminates in Thailand while the Indonesian step-down subsidiary PT. Greenlam Asia Pacific is engaged in the manufacture of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples. Further, UK step-down subsidiary Greenlam Europe (UK) Limited is engaged in the business of marketing and distribution of high-pressure laminates in European Union.

The following may be read in conjunction with the consolidated financial statements enclosed with the accounts. Ministry of Corporate Affairs, Government of India, vide General Circular No: 2/2011 and 3/2011 dated 8th February, 2011 and 21st February, 2011 respectively read with General Circular No. 8/2014 dated April 4, 2014, has granted general exemption by directing that the provisions of Section 212 of the Companies Act, 1956 shall not apply in relation to subsidiaries of those companies which fulfil certain conditions mentioned in the said Circular. Accordingly, by fulfilling the conditions mentioned in the said Circular, the Balance Sheet, Profit and Loss account and other documents of the subsidiaries are not attached with the Company's accounts. As required by the said circular, the financial information of the subsidiaries are being disclosed in the Annual report and the Company will make available the annual accounts of the subsidiaries and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiaries will also be kept open for inspection by any shareholders at the Company's registered office and that of the respective subsidiaries. The consolidated financial statements presented by the Company include financial results of the subsidiaries. A statement of holding Company's interest in subsidiaries is also furnished.

Consolidated financial statements

The consolidated financial statements comprising financial statements of the Company and its subsidiaries are also annexed.

Transfer to General Reserve

Your Directors propose to transfer ₹1,400.00 lacs to the General Reserve.

Directors

Your Company has received declarations from the Independent Directors Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari, Mr. Anupam Kumar Mukerji, Ms. Sonali Bhagwati Dalal and Mr. Upendra Nath Challu confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the directors of your Company is disqualified under the provisions of Section 274(1) (g) of the Companies Act, 1956 and Section 164(2) (a) & (b) of the Companies Act, 2013.

Your Company has received requisite notices in writing from members proposing Mr. Susil Kumar Pal, Mr. Vinod Kumar Kothari, Mr. Anupam Kumar Mukerji, Ms. Sonali Bhagwati Dalal and Mr. Upendra Nath Challu for appointment as Independent Directors for a term of 5 (five) consecutive years, not liable to retire by rotation. Accordingly, Mr. Shiv Prakash Mittal, being the Executive Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. With a view to ensure compliance with the provisions of the Companies Act, 2013, your Directors propose to change the terms of appointment of Mr. Saurabh Mittal to make him a director liable to retire by rotation. Further, your Directors also propose to change the terms of appointment of Mr. Moina Yometh Konyak to make him a Non-Executive Director liable to retire by rotation.

Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

1) In preparation of the annual accounts, applicable accounting standards were followed;
2) The Directors selected such accounting policies and applied them consistently and made reasonable and prudent judgments and estimates to provide a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
3) The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the Company's assets and for preventing and detecting fraud and other irregularities;
4) The Directors prepared the annual accounts on a 'going concern' basis.

Insurance

Your Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks.

Public deposits

During 2013-14, the Company did not invite or accept any deposits from the public under Section 58A of the Companies Act, 1956.

Auditors and their report

M/s. D. Dhandaria & Company, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company received a certificate from them to the effect that the re-appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification.

Cost Auditors

The Company has appointed M/s. D. Radhakrishnan and Co. of 11A Dover Lane, Flat -B1/34, Kolkata-700 029 as Cost Auditor of the Company for the FY 2013-14 to audit the cost accounting records with respect to various products manufactured by the Company pursuant to Section 233B of the Companies Act, 1956 and other applicable provisions read with the Order No. F. No. 52/26/CAB-2010 dated 6th November, 2012 of the Central Government.

Corporate Governance report

A detailed report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, along with an Auditors' Certificate on compliance with the conditions of Corporate Governance, is annexed to this report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year 2013-14, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges is given as a separate statement in the Annual Report.

CEO and CFO certification

Pursuant to Clause 49 of the Listing Agreement, the CEO and CFO certification is attached with the Annual Report. The Joint Managing Director and CEO and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

Code of Conduct for Directors and senior management personnel

The Code of Conduct is posted on the Company's website. The Joint Managing Director and CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned affirmed compliance with the code of conduct with reference to the year ended on March 31, 2014. Declaration is attached with the annual report.

Particulars of employees

Details of remuneration paid to employees pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time is annexed to this report.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are annexed with this report.

Acknowledgement

Your Directors place on record their sincere thanks and appreciation for the continuing support of financial institutions, consortium of banks, vendors, clients, investors, Central Government, State Governments and other regulatory authorities. Directors also place on record their heartfelt appreciation for employees of the Company for their dedication and contribution.

On behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2014

S. P. Mittal
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of energy

(a) The Company adopted the following measures towards conservation of energy

- Installation of wet scrubbers for air pollution control.
- Set up of close circuit water circulation system for wet scrubber with slurry treatment unit.
- Insulation of MDF forming bin to control fibre temperature.
- Insulation of MDF scalper duct and fan to control heat loss from fibre.
- Integration of road side drains and collect drain water in a pit for use in gardening.
- Recycle treated waste water for flushing, gardening etc.
- Installation of Hot air circulation system to control ambient temperature around fibre bin.
- Energy meter installed at different location to monitor and control for power optimisation.
- Modification in PLC programme in energy plant fans to synchronize fan speed with VFD as well damper.
- Auto control of capacitor panel through PLC for power factor improvement.
- Programme modification to run ID fan at reduced speed to avoid heat loss.
- Conversion of refiner mechanical sealing system from steam to water thus saving of steam.
- HPS pressure reduced to optimise steam consumption during idle running.
- Installation of additional vibrator in surge bin for efficient pre-steaming.
- Development of refiner segment pattern to improve power consumption per unit fibre production.
- Periodically checked and supervised the electric distribution network and took corrective and proactive measures to optimise energy usage, ensuring an effective and efficient system of energy distribution.
- Installation of effluent recycling system for conservation of water.
- Utilising treated effluent for gardening for water conservation.
- Replacing conventional fluorescent light fittings with LED fittings.
- Conducting energy audit and implementation of the recommendations to replace underutilised motors with appropriate capacity / type motors.
- Installed on line electrical parameters (voltage, current, power) PLC based monitoring and recording for different sections for power control.
- Auto power factor control relay installed to control power factor depending on load.
- Outside lighting control through PLC.
- Auto demand controller has been fixed so that the maximum demand load is never exceeded.
- Single phase preventers fixed to avoid damage to heavy duty motors.
- Resin formulations changed to avoid vacuum distillation – no water discharge.
- Rainwater harvesting – all water collected and discharged underground.

(b) Additional investments and proposals, if any

It is a continuous process to explore the avenues for energy conservation. The Company is considering additional investments and proposals for the same.

(c) Impact of measures taken

Energy conservation measures stated above have resulted in gradual savings and ease in operations.

(d) Total energy consumption and energy consumption per unit of production

Particulars relating to energy consumption and other details are not being provided because the Company is not on the list of industries specified for this purpose.

B. Technology absorption

a) Research and development (R&D)

1. Areas of R&D activities

- The Company is carrying out research to increase the mechanical properties of plywood at reasonable cost of production.
- The Company is focusing on R&D activities for developing new products, designs, processes and improvement of manufacturing systems in existing products/process.
- The Company is working on to control/reduce formaldehyde emission from plywood and MDF by improved glue formulation.
- Installations of Mat spray system for MDF forming line for consistent moisture level in fibre.
- Modification in manufacturing process / parameters at various stages of manufacturing of Ply board / laminates for better productivity, optimise cost of production and achieve improved quality products.
- Installation of correction module to control board density across width.

2. Benefits of the R&D exercises

- Improved product quality and increased timber recovery.
- Cost reduction, technology upgradation.
- Strengthened market leadership status.
- Reduced manufacturing and delivery time.
- Catering to changing/unique needs of customers.

3. Future strategy

- Emphasising on the R&D for making new products and creating better processes.
- Improve the quality of existing products.
- Improve interaction with research institutions.
- Improve properties of materials.

4. Expenditure on R&D	(₹ In lacs)
Capital	8.15
Revenue	–
Total	8.15
Total R&D expenditure as a percentage of net turnover (%)	0.004

b) Technology absorption, adoption and innovation

1. Steps adopted

- Setting up a quality assurance cell to ensure the dispatch of only goods produced under strict process control with specific standard notifications from the factory.
- Participating in national and international conferences, seminars and exhibitions.
- Analysing feedback from users to improve products and services.

2. Benefits of the steps adopted

- Improved product quality, leading to a rise in the Company's brand value.
- Expanded product range.
- Improved processes and product quality, performance and reliability to attain global standards and maintaining the leadership position.

3. Technology improvement

The Company did not have the need to import technology or foreign technical collaborations in the last five years but company had guidance from technical experts as well from the foreign machinery suppliers.

c) Foreign exchange earnings and outgo

1. Efforts: The Company regularly participates in international exhibitions and carries out market survey and direct mail campaigns. It is intensifying focus on selected countries and also exploring new markets. The Company is continuously exploring avenues to increase exports.

2. Earnings and outgo: (₹ in lacs)

	2013-14	2012-13
Earnings on account of:		
a) FOB value of exports	27966.76	22,440.83
Total	**27966.76**	**22,440.83**
Outgo on account of:		
a) Raw materials	42532.93	37,873.65
b) Capital goods	3524.07	1,579.63
c) Traded goods	1698.31	3,115.64
d) Stores & spare parts	303.29	380.84
Total	**48058.60**	**42,949.76**

On behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2014

S. P. Mittal
Executive Chairman

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 and rules made there under forming part of Director's Report for the year ended March 31, 2014

Sl. No.	Name	Age (years)	Designation/Nature of duties	Remuneration (₹)	Qualification	Experi-ence in years	Date of employment	Last employment
1.	Mr. Shiv Prakash Mittal	65	Executive Chairman	3,39,93,000.00	B. Sc.	41	February 01, 2007	Himalaya Granites Ltd.
2.	Mr. Rajesh Mittal	51	Managing Director	3,30,81,000 .00	B.Com	30	January 01, 1991	Not Applicable
3.	Mr. Saurabh Mittal	38	Joint Managing Director & CEO	3,27,21,000.00	B. Com	16	April 01, 2002	Himalaya Granites Ltd.
4.	Mr. Shobhan Mittal	34	Executive Director	3,37,77,000 .00	BBA	9	September 01, 2006	Worthy Plywoods Ltd.
5.	Mr. Sudeep Jain*	51	Business Head (EPD)	77,30,815.00	CA	26	May 26, 2009	Lion Forestry Ltd.
6.	Mr. Yogesh Arora	58	Country Head - Sales & Marketing (EPD)	71,17,899.00	B.Sc.	39	April 04, 2009	Bajaj Eco-Tec Products Ltd.
7.	Mr. Subir Palit*	52	Country & International Head - Sales & Marketing (Decorative Division)	30,80,691.00	MBA	27	November 15, 2007	Videocon Industries Ltd.
8.	Mr. Anuj Sangal*	46	Country Head - Sales & Marketing (PBD)	10,00,000.00	MBA	21	May 01, 2006	Pidilite Industries Ltd.
9.	Mr. Deepak Kumar Khare*	50	Vice President - Raw Materials (EPD)	23,25,682.00	MSC (ORGANIC CHEMISTRY), PGDFM	21	October 17, 2012	ITC Ltd.
10.	Mr. Sandeep Mathur	56	President - New Projects (Decorative Division)	63,30,674.00	PGDM	33	March 15, 2013	DCM Shriram Consolidated Ltd.
11.	Mr. Vinit Kumar Tiwari	45	Country Head - Sales & Marketing (PBD)	41,45,833.00	MBA	21	September 12, 2013	Ultratech Cement Ltd.
12.	Mr. Raj Kumar Goel*	50	Chief Financial Officer (Decorative Division)	67,32,962.00	CA	23	April 15, 2013	Triveni Engineering & Industries Limited
13.	Mr. Ashok Sharma	45	Chief Financial Officer (Decorative Division)	18,24,098.00	CA	20	December 23, 2013	Su-Kam Power System Ltd.
14.	Mr. Alok M Tibrewala	51	Country Head - Sales (Decorative Division)	81,97,480.00	B.Tech	29	May 1, 2013	Birla Carbon-Svp

**left the company during the financial year 2013-14.*

Notes: 1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund and other perquisites as per the terms of employment. However, the above remuneration does not include the variable performance pay of the employees.

2. All the employees have requisite experience to discharge the responsibility assigned to them.

3. Nature and terms of employment are as per resolution/ appointment letter.

4. None of the employees own two per cent or more of the Equity Shares of the Company as on March 31, 2014 within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

5. Within the meaning of Section 6 of the Companies Act, 1956 (a) Mr. Shiv Prakash Mittal and Mr. Rajesh Mittal (b) Mr. Shiv Prakash Mittal, Mr. Saurabh Mittal and Mr. Shobhan Mittal, are related to each other.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and development

Economy review

For 2013-14, the economy grew 4.7%, against 4.9% projected in the advance estimates, pulled down by manufacturing, mining, construction and logistics. The performance for 2013-14 is better than the 4.5% growth for 2012-13, a 10-year low. This is the second consecutive year that the economy has recorded sub-five per cent growth.

Per capita income at current prices during 2013-14 was estimated at ₹74,920 compared with ₹67,839 during 2012-13, a rise of 10.4%. Gross Fixed Capital Formation (GFCF), an indicator of investment, was forecasted at ₹32.2 lacs crore at current prices as against ₹30.7 lacs crore in 2012-13. *(Source: IBN)*

Indian furniture industry

India's organised furniture industry is estimated at around US$8 billion and expected to grow at a CAGR of about 25-30% annually. The modular furniture market in India was estimated to be about US$ 160 million *(Source: Index Media Consulting report)*. The size of the international range of premium furniture was estimated at about US$20 million and largely serviced by foreign players and imports.

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

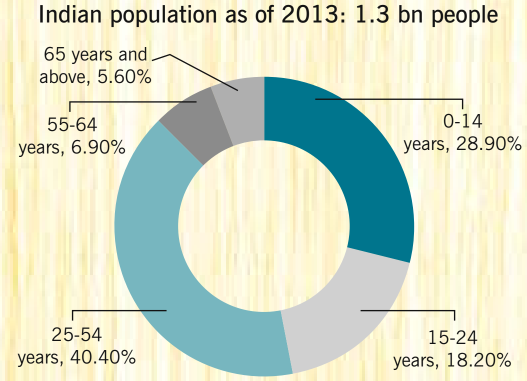
Furniture consumption in India recorded 10% average annual growth over the last decade, reaching about US$ 15 billion in 2013 at retail prices. India's organised furniture sector is marked by about 5,000 companies and nearly 10,500 importers. India imports around US$150 million worth of furniture, catering 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% market share in India. IKEA announced intentions of investing ₹10,500 crore (1.2 billion euro) following the recent policy change, which permitted 100% 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.

Indian population as of 2013: 1.3 bn people



Age stucture of the Indian population

(Source: Report of Dinodia Capital advisors)

Rising incomes: India's per capita income was projected to increase 10.4% to ₹74,920 in 2013-14 as the country becomes a $1.7 trillion economy, driving consumption.

Rising urbanisation: India has the highest urban population rate of change among BRIC nations. The country's urban population accounted for 31.6% of its total population in 2012. In 2010-15, the country's urban population is expected to grow 2.5% above the 1.3% 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 USD 13 trillion. Rising middle-class incomes are driving consumer aspirations as people seek higher quality products and services *(Source: Deloitte)*.

Rising nuclear families: Some 56% of urban India households comprise four or less members, a marked change from 10 years ago, when the urban median household size was between four and five members. With 49.7% 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% of households comprising just one married couple. This increasing nuclearisation has triggered the need for quality housing *(Source: Times of India)*.

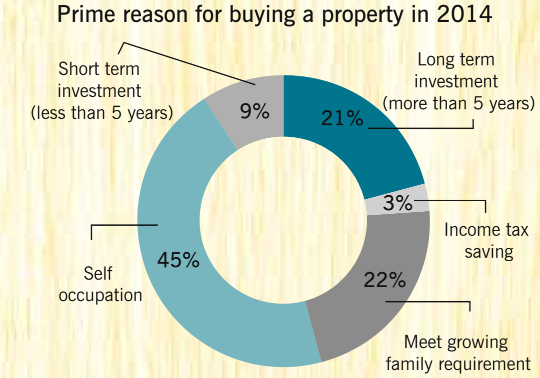
Threats

- Competition from both unorganised and other organised players, leading to difficulties in improving market share
- Shortage of primary raw material (wood fibre)
- Stringent regulatory norms regarding concerns over the environment

Outlook

Rising population, growing aspirations and rapid urbanisation have strengthened the demand for residential property in India. Demand for housing units is expected to register a significant growth of more than 40% by end-2014. *(Source: RNCOS.com)*.

Prime reason for buying a property in 2014



(Source: www.moneycontrol.com)

Hospitality sector: Over 300 hotels are expected to be commissioned in India over the next three years, constituting about 17% 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 ₹230 billion, growing at a robust 12.2% CAGR (Source: Research and markets).

Healthcare: India's healthcare sector is expected to grow from $78.6 billion in 2012 to $158.2 billion in 2017. India's per capita healthcare expenditure has increased at a CAGR of 10.3% from $43.1 in 2008 to $57.9 in 2011 and is expected to rise to $88.7 by 2015 with substantial demand for high-quality and speciality healthcare services in Tier-II and Tier-III cities *(Source: Economic Times)*.

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 seven 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: Economic Times)*.

Residential real estate: The number of high-end residential launches grew 142% 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.

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 square feet 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: Economic Times)*.

Segment-wise performance

Greenply's plywood and allied products highlights, 2013-14

- Grew 10.35% by value terms and 7.15% by volume;
- Achieved capacity utilisation of 107% against 106% in the previous year;
- Increased production from 34.28 million square metres in the previous year to 34.68 million square metres
- Enhanced sales from 41.54 million square metres in 2012-13 to 44.51 million square metres in 2013-14;
- Introduced more value-added products;
- Integrated backwards by investing in timber plantation in Nagaland.

Greenply's medium density fibreboard (MDF) highlights, 2013-14

- Segment revenue saw a de-growth of 5.70% at ₹353.23 crore as the impact of the slowdown was greater in the commercial and retail segments;
- Reported average capacity utilisation of 76% against 88% in the previous year;
- Launched products catering to different sections addressed at countering cheaper plywood;
- Penetrated deeper into the rural market.

Greenply's laminates and allied product highlights, 2013-14

- Production increased from 10.37 million sheets in 2012-13 to 10.76 million sheets;
- Average realisation increased from ₹566 per sheet to ₹619 per sheet;
- Capacity utilisation was 104% similar to the previous year;
- Exports grew 23.57% from ₹255.62 crore in 2012-13 to ₹315.87 crore;
- Introduced innovative and value-added products (35% to laminates revenue);
- Extended to the manufacture of engineered veneer flooring, the first time this will be introduced in India (starting first half, FY 2015).

Risks and concerns

At the core of the Company's risk-mitigating initiatives, there is a comprehensive and integrated risk management framework. Greenply leverages in extensive knowledge to undertake proactive counter-risk measures to strengthen viability across verticals, products, geographies and market cycles.

Internal control systems and their adequacy

The Company has in place robust internal control procedures commensurate with its size and operations. The Board of Directors, 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.

Financial and operational performance

Greenply's turnover increased 8.03% to ₹2,158.02 crore, outperforming industry growth. The Company's operating profit increased 5.50% to ₹275.84 crore. The Company's bottomline increased marginally to ₹114.47 crore in 2013-14.

Human resources

Greenply 5233 employees are marked by differentiated vision, determination, perseverance and delivery. Greenply's intellectual capital is responsible for its ongoing success, making it a preferred employer-of-choice within its sector. More than 25% of employees had worked with the company for more than 5 years by the close of 2013-14.

CORPORATE GOVERNANCE REPORT for the year 2013-14

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's philosophy on the code of Corporate Governance

The Company has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence.

2. Board of Directors

Composition:

As on March 31, 2014, the Board comprises 10 directors headed by an Executive Chairman.

- Four Executive Promoter Directors;
- Six Non-Executive Independent Directors.

The composition of the Board is in accordance with Clause 49 of Listing Agreement entered into with the Stock Exchanges.

Board Meetings:

During 2013-14, seven Board Meetings were held on May 17, 2013, May 29, 2013, July 23, 2013, September 30, 2013, October 24, 2013, November 11, 2013 and January 30, 2014.

The composition of the Board of Directors and their attendance at the Board Meetings during 2013-14 and at the last Annual General Meeting and also the number of other Boards or Board Committees in which the Directors are holding the position of Member/Chairperson as on March 31, 2014 are:

Name of the Directors and Director Identification Number (DIN)	Category of Directorship	No. of Board Meetings		Attendance at last AGM	No. of outside directorship held		No. of outside committees	
		Held	Attd.		Public	Private	Member	Chairman
Mr. Shiv Prakash Mittal (DIN 00237242)	Executive Chairman – Promoter Director	7	6	No	1	2	-	-
Mr. Rajesh Mittal (DIN 00240900)	Managing Director – Promoter Director	7	5	No	2	8*	-	-
Mr. Saurabh Mittal (DIN 00273917)	Joint Managing Director & CEO – Promoter Director	7	5	No	2	9#	-	-
Mr. Shobhan Mittal (DIN 00347517)	Executive Director – Promoter Director	7	2	No	2	9@	-	-
Mr. Moina Yometh Konyak (DIN 00669351)	Non-Executive – Independent Director	7	-	No	-	-	-	-
Mr. Susil Kumar Pal (DIN 00268527)	Non-Executive Independent Director	7	7	Yes	1	1	4	-
Mr. Vinod Kumar Kothari (DIN 00050850)	Non-Executive – Independent Director	7	6	No	2	7	3	1
Mr. Anupam Kumar Mukerji (DIN 00396878)	Non-Executive – Independent Director	7	5	No	-	-	-	-
Ms. Sonali Bhagwati Dalal (DIN 01105028)	Non-Executive – Independent Director	7	1	No	-	2	-	-
Mr. Upendra Nath Challu (DIN 05214065)	Non-Executive – Independent Director	7	7	Yes	2	-	4	1

**including directorship in two foreign companies. # including directorship in five foreign companies. @ including directorship in two foreign companies.*

Information supplied to the Board of Directors:

During 2013-14, all necessary information, as required under the applicable provisions of the Companies Act, 1956, the Companies Act, 2013, Listing Agreement and other applicable laws and rules were placed and discussed at the board meetings.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Name of the Director	Mr. Susil Kumar Pal	Mr. Vinod Kumar Kothari	Mr. Shiv Prakash Mittal
Father's Name	Late Jiban Krishna Pal	Sri Hanuman Mal Kothari	Late Sanwarmal Palriwal
Date of Birth	3 January, 1943	1 September, 1961	April 7, 1949
Date of Appointment	6 December, 2005	31 May, 2006	July 29, 1991
Expertise in specific functional areas	Mr. Susil Kumar Pal has vast experience in the area of finance, projects preparation and accounts.	Mr. Vinod Kumar Kothari is a pioneer in the field of corporate law and finance and is recognized both nationally and internationally as a trainer and expert on specialised areas in corporate law and in finance including leasing, securitisation, asset-based finance, credit derivatives, accounting for derivatives and financial instruments, housing finance, to name a few. Mr. Kothari is also, one of the specialist editors of company law magnum opus **A Ramaiya's Guide to Company Law, 2011 edition** and wrote the highlights and reference for Lexis Nexis publication titled **The Companies Act 2013**. He is a regular speaker at various professional institutes and was a visiting faculty at Indian Institute of Management, Joka, and National University of Juridical Sciences, Kolkata.	Mr. Shiv Prakash Mittal, a founder of Greenply Industries Limited, possesses over thirty years of experience in the fields of production and marketing of plywood, laminates and allied products.
Qualification	B.Sc. (Hons). M.Tech (Chem.Engg)	B.Com, Chartered Accountant and Company Secretary	B.Sc.
List of outside directorship held excluding alternate directorship	1. Ballasore Alloys Ltd. 2. Metsil Exports Pvt. Ltd.	1. Rupa & Company Ltd. 2. AllBank Finance Ltd. 3. Vinod Kothari Consultants Pvt. Ltd. 4. Wise Men's Consultancy Co. Pvt. Ltd. 5. Academy of Financial Services Pvt. Ltd. 6. Suvidha Micro Services Pvt. Ltd 7. Association of Leasing and Financial Services Companies 8. Indian Securitisation Foundation 9. Paragon Assets Reconstruction Pvt. Ltd.	1. Prime Holdings Private Limited 2. Greenlam Industries Limited 3. Greenlam VT Industries Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	**Chairman**: Audit Committee Remuneration Committee **Member:** Share Transfer & Investors Grievance Committee Operational Committee Demerger Committee	**Chairman:** Nil **Member:** Audit Committee Remuneration Committee Demerger Committee	**Chairman:** De-merger Committee **Member:** Operational Committee Audit Committee
Chairman/member of the committee of the board of directors of other companies in which he/she is a director	**Member (audit committee, share transfer & investors' grievance committee, remuneration committee and project committee):** Balasore Alloys Ltd.	**Chairman (audit committee):** Rupa & Company Ltd. **Member (remuneration committee, selection committee and restructuring committee):** Rupa & Company Ltd.	Nil
Number of Equity Shares held in the Company	Nil	Nil	506000

Name of the Director	Mr. Anupam Kumar Mukerji	Ms. Sonali Bhagwati Dalal	Mr. Upendra Nath Challu
Father's Name	Late Nirmal Chand Mukerji	Sri Justice P.N. Bhagwati	Mr. Mohan Krishna Challu
Date of Birth	August 27, 1936	October 15, 1961	October 20, 1950
Date of Appointment	August 08, 2006	January 22, 2007	August 31, 2012
Expertise in specific functional areas	Mr. Anupam Kumar Mukerji served as a member of the Indian Forest Service for more than 35 years both in State and in the Central Government as the Director General of forests in the Ministry of environment & forests [MOEF] till September 1994. He further served as the Vice Chairman of the National Eco-development Board till Dec 1995 & then as National consultant [FAO-UNDP] for preparation of the National Forestry Action Programme for India 1997 in MOEF. Served as member of the steering committee of the Planning Commission of India for preparation of the plan for Forest and Environment and Natural Resource development sectors for XI and as member of steering committee for XII plan formulation. In international sphere he served as a consultant with FAO, ADB, Ford foundation, the E.U among others since 1977. Contributed invited papers in World Forestry Congress and Commonwealth forestry conferences. Invited to the expert consultations in various international forums. Also periodically serving as senior advisor forestry, biodiversity and environment with various leading consulting organisations for monitoring and evaluation of World Bank, JICA, and UNDP sponsored forestry, watershed development, drought mitigation projects. He is presently serving as the chairman of the committee formulating the New Working Plan Code, senior advisor in ESRI-INDIA, TRAFFIC International [UK] on regional wildlife illegal trade issues, Nippon Koei – NR International in JICA supported Orissa and Tripura forestry sector development projects and member of various committees in the MOEF, state planning board and climate change group of Tripura and advisory committee for national heritage of INTACH and also as a senior visiting fellow with the management institutes like IGNFA, IIPA, IILM, AMITY and TERI among others	Ms. Sonali Bhagwati Dalal is an architect by profession and possesses more than twenty-five years of experience in the field. She graduated from CEPT; Ahmedabad with honours in 1986, and during that period was a recipient of a Scholarship from L'Institute Francaise D'Architecture to work in Paris for a year. She is co-founder of Spazzio Design Architecture Private Limited (Spazzio), which was recognized internationally as one of the leading Indian contemporary design firm. After the merger of Spazzio with Designplus Architecture Pvt. Ltd. (Designplus) , she has taken over as the president of Designplus. She has been member of the Conservation society of Delhi and was active participant in seminars/ workshops organized by the Government/ Private organizations concerning issues of urbanization. She has recently been appointed as one of the 3 members of Delhi Urban Arts Commission, one of the most prestigious organizations in the Country. Her experience and expertise in architecture and interior design has been recognized by way of numerous awards and accolades including the Zee Business 'Architect of the year', and one of twenty Best Architects of India in the magazine 'Reflections' besides, numerous coverage's in various national and international books and magazines. She has also been awarded 'Architect of the Year – 2012' by Indian Home Awards.	Mr. Upendra Nath Challu, a finance professional, started his career in 1973 with the State Bank of India and worked across India and abroad in the area of corporate/project finance and international banking business. During his illustrious career with State Bank of India, he handled many important assignments and portfolios till his superannuation in 2010. A pioneer in structuring and financing numerous infrastructure projects in power, roads and water awarded to the private sector besides rendering advisory services to various Central Government ministries, statutory corporations and State Governments on power sector, ports, highways and urban infrastructure during his tenure with SBI Capital Markets. He has considerable expertise in corporate finance and international finance besides having hands-on experience on use of technology for business and enabling adherence to compliance with external and internal regulations and policies. After retirement from the State Bank of India, he has continued his association with investment banking and the financial sector first as a senior advisor to Centrum Capital Ltd. and thereafter as an independent director on the board of various companies.

Name of the Director	Mr. Anupam Kumar Mukerji	Ms. Sonali Bhagwati Dalal	Mr. Upendra Nath Challu
Qualification	M. Sc (Botany) from the Birla Institute of Technology and Science, Pilani, Rajasthan and AIFC diploma from Indian Forest College, Dehradun.	B. Arch from the Centre for Environmental Planning and Technology (CEPT), Ahmedabad.	B.A. from Meerut University, Meerut
List of outside directorship held excluding alternate directorship	Nil	1. Spazzio Projects and Interiors Pvt. Ltd. 2. Fade to Black Design and Media Pvt. Ltd.	1. ARSS Infrastructure Projects Limited 2. Uttam Value Steels Limited
Chairman/Member of the Committee of the Board of Directors of the Company	**Chairman**: Share Transfer and Investors' Grievance Committee **Member:** Audit Committee Remuneration Committee	Nil	**Chairman:** Nil **Member:** Audit Committee
Chairman/member of the committee of the board of directors of other companies in which he/she is a director	Nil	Nil	**Chairman (shareholders grievance committee):** 1. ARSS Infrastructure Projects Limited **Member (audit committee and remuneration committee)** 1. ARSS Infrastructure Projects Limited 2. Uttam Value Steels Limited
Number of Equity Shares held in the Company	Nil	Nil	Nil

Details of Directors whose terms of appointment are proposed to be revised at the forthcoming Annual General Meeting:

Name of the Director	Mr. Saurabh Mittal	Mr. Moina Yometh Konyak
Father's Name	Mr. Shiv Prakash Mittal	Late Moina Konyak
Date of Birth	6 October, 1975	August 02, 1957
Date of Appointment	13 August, 1996	April 16, 1996
Expertise in specific functional areas	Mr. Saurabh Mittal has rich and diverse experience spanning operations, finance, import, export, investor relations and corporate affairs. With his able leadership and continuous innovations, Mr. Saurabh Mittal has been able to create a niche for the Company's Laminate and Allied products both in domestic and export markets.	Mr. Moina Yometh Konyak was associated with his family business of trading in timber prior to joining our Company. He has more than twenty years of experience in the timber business.
Qualification	B.Com	B. Com

Name of the Director	Mr. Saurabh Mittal	Mr. Moina Yometh Konyak
List of outside directorship held excluding alternate directorship	1. Greenlam Industries Limited 2. Himalaya Granites Limited 3. Greenply Leasing and Finance Private Limited 4. Prime Properties Private Limited 5. Greenlam VT Industries Private Limited 6. S. M. Safeinvest Private Limited 7. Greenlam Asia Pacific Pte. Ltd. 8. Greenlam America, Inc. 9. Greenlam Europe (UK) Limited 10. Greenlam Holding Co. Ltd. 11. Greenlam Asia Pacific (Thailand) Co. Ltd.	Nil
Chairman/member of the committee of the Board of Directors of the Company	**Chairman:** Nil **Member:** Share Transfer & Investors' Grievance Committee Operational Committee	**Chairman:** Nil **Member:** Nil
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	Nil	Nil
Number of equity shares held in the company	159000	Nil

Disclosures of relationships between Directors:

Name of the Directors	Category of Directorship	Relationship between Directors
Mr. Shiv Prakash Mittal	Executive Chairman-Promoter Director	Mr. Rajesh Mittal (Brother) Mr. Saurabh Mittal (Son) and Mr. Shobhan Mittal (Son)
Mr. Rajesh Mittal	Managing Director- Promoter Director	Mr. Shiv Prakash Mittal (Brother)
Mr. Saurabh Mittal	Joint Managing Director & CEO-Promoter Director	Mr. Shiv Prakash Mittal (Father) and Mr. Shobhan Mittal (Brother)
Mr. Shobhan Mittal	Executive Director-Promoter Director	Mr. Shiv Prakash Mittal (Father) and Mr. Saurabh Mittal (Brother)
Mr. Moina Yometh Konyak	Non-Executive- Independent Director	None
Mr. Susil Kumar Pal	Non-Executive- Independent Director	None
Mr. Vinod Kumar Kothari	Non-Executive- Independent Director	None
Mr. Anupam Kumar Mukerji	Non-Executive- Independent Director	None
Ms. Sonali Bhagwati Dalal	Non-Executive- Independent Director	None
Mr. Upendra Nath Challu	Non-Executive- Independent Director	None

3. Code of Conduct

Details of the Code of Conduct for Board Members and Senior Management of the Company is available on the Company's website www.greenply.com. Annual declaration by the Joint Managing Director & CEO of the Company pursuant to Clause 49(I)(D) of the Stock Exchanges Listing Agreement is attached with the Annual Report.

4. Audit Committee

Composition:

As on March 31, 2014, the Company's Audit Committee comprises four Non-Executive Independent Directors, and One Executive- Promoter Director. The Company Secretary acts as a Secretary to the Audit Committee.

Mr. Susil Kumar Pal, Chairman

Mr. Shiv Prakash Mittal

Mr. Vinod Kumar Kothari

Mr. Anupam Kumar Mukerji

Mr. Upendra Nath Challu

The Members of the Committee are well-versed in matters relating to finance, accounts and general management practices.

Powers and role of the Audit Committee:

Powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain external, legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.

Role:

- 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.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

a) Matters required in the Director's Responsibility Statement, to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956.

b) Changes, if any, in accounting policies, 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.

- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses/applications of funds raised through an issue (public issue, right issue, preferential issue, among others), the statement of funds utilised 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/right issue, and making the appropriate recommendation to the Board to take up steps in this matter.
- Reviewing, with the management, performance of Statutory and Internal Auditors, the adequacy of the internal control systems.
- Reviewing the adequacy of internal audit functions, 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.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of 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.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain areas of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, in case it is existing.
- 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 among others of the candidate.
- Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

Review of information by the Audit Committee:

The Audit Committee reviews the following information:

1. Management Discussion and Analysis of financial conditions and results of operations.

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management.

3. Management letter/letters of internal control weaknesses issued by the Statutory Auditors.

4. Internal audit reports relating to internal control weaknesses and

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Meetings and attendance:

During 2013-14, six meetings of the Audit Committee were held on May 17, 2013, May 29, 2013, July 23, 2013, September 30, 2013, October 24, 2013 and January 30, 2014.

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Susil Kumar Pal	Non-Executive Independent Director	6	6
Mr. Shiv Prakash Mittal	Executive-Promoter Director	6	5
Mr. Anupam Kumar Mukerji	Non-Executive Independent Director	6	5
Mr. Vinod Kumar Kothari	Non-Executive Independent Director	6	5
Mr. Upendra Nath Challu	Non-Executive Independent Director	6	6

5. Subsidiaries

Details of the subsidiaries of the Company and their business activities are provided in the Directors' Report forming part of the Annual Report of the Company.

6. Remuneration Committee

Composition:

Mr. Susil Kumar Pal, Chairman

Mr. Anupam Kumar Mukerji, Member and

Mr. Vinod Kumar Kothari, Member

All the aforementioned are Non-Executive Independent Directors.

Terms of Reference:

- To determine the Company's policy on remuneration packages for Executive Directors and any compensation-related payments.
- To discuss, approve the appointment, reappointment of Executive Directors, Managing Directors and also to fix their remuneration packages and designations.

Meetings and Attendance:

During 2013-14, there was no meeting of the Remuneration Committee.

Remuneration policy, details of remuneration and other terms of appointment of Directors:

In the framing of the remuneration policy, the Committee takes into consideration the remuneration practices prevailing in the industry and performance of the concerned Directors. The remuneration package is as per the provisions of the Companies Act, 1956. No sitting fee is paid to the Executive Directors for attending the Board Meetings or Committee Meetings thereof. The necessary approvals were obtained from shareholders wherever required.

There was no materially relevant pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, which may affect the independence of the Directors. The Company has not granted any stock option to its Directors.

(I) Executive Directors

The details of remuneration including commission to all Executive Directors for the year ended on March 31, 2014 are as follows and the same is within the ceiling prescribed under the applicable provisions of the Companies Act, 1956.

Name and designation	Service contract/Notice period*	Salary (₹)	Commission (₹)	Perquisites and other allowances (₹)
Mr. Shiv Prakash Mittal (Executive Chairman)	Reappointed for five years w.e.f. February 01, 2012	1,56,00,000	1,49,37,000	34,56,000.00
Mr. Rajesh Mittal (Managing Director)	Reappointed for five years w.e.f. January 01, 2011	1,44,00,000	1,49,37,000	37,44,000.00
Mr. Saurabh Mittal (Jt. Managing Director & CEO)	Reappointed for five years w.e.f. September 01, 2011	1,32,00,000	1,49,37,000	45,84,000.00
Mr. Shobhan Mittal (Executive Director)	Reappointed for five years w.e.f. September 01, 2011	1,20,00,000	1,49,37,000	68,40,000.00

*The appointment may be terminated by either party by giving three months' notice or salary in lieu thereof or by mutual consent.

(II) Non-Executive Directors

The details of sitting fees and annual commission (excluding applicable service tax) to Non-Executive Directors for the financial year 2013-14 are as follows:

Name and designation	Service contract/ Notice period	Sitting fees paid (₹)	Commission payable (₹)	Number of shares held in the Company
Mr. Moina Yometh Konyak	Retire by rotation	Nil	7,50,000	Nil
Mr. Susil Kumar Pal	Retire by rotation	1,95,000	7,50,000	Nil
Mr. Vinod Kumar Kothari	Retire by rotation	1,40,000	7,50,000	Nil
Mr. Anupam Kumar Mukerji	Retire by rotation	1,55,000	7,50,000	Nil
Ms. Sonali Bhagwati Dalal	Retire by rotation	15,000	7,50,000	Nil
Mr. Upendra Nath Challu	Retire by rotation	1,65,000	7,50,000	Nil

7. Share Transfer and Investors Grievance Committee

Composition:

The Share Transfer and Investors Grievance Committee comprise two Promoter Directors and two Non-Executive Independent Directors.

Mr. Anupam Kumar Mukerji, Chairman

Mr. Rajesh Mittal

Mr. Saurabh Mittal and

Mr. Susil Kumar Pal

Mr. Kaushal Kumar Agarwal, Company Secretary, acts as the Secretary to the Committee and Compliance Officer of the Company.

The Committee deals with matters relating to approval of transfers and transmissions, issue of duplicate share certificates, split and consolidation of certificates, dematerialisation and rematerialisation requests and monitoring of shareholder complaints.

The table gives the number of complaints received, resolved and pending during the year 2013-14.

Number of complaints:

Received	Resolved	Pending
7	7	Nil

During 2013-14, three meetings were held on July 23, 2013, September 30, 2013 and January 30, 2014 and the attendance of Member Directors are as follows:

Name of the members	Category	No. of meetings	
		Held	Attended
Mr. Anupam Kumar Mukerji	Non-Executive-Independent director	3	3
Mr. Rajesh Mittal	Executive-Promoter Director	3	2
Mr. Saurabh Mittal	Executive-Promoter Director	3	3
Mr. Susil Kumar Pal	Non-Executive-Independent Director	3	3

8. Operational Committee

As on March 31, 2014, the Committee comprises Mr. Shiv Prakash Mittal, Mr. Rajesh Mittal, Mr. Saurabh Mittal and Mr. Susil Kumar Pal. The Committee meets as and when required to consider matters assigned to it by the Board of Directors from time to time.

9. Demerger Committee

The Board of Directors at their meeting held on September 30, 2013 approved a Composite Scheme of Arrangement between Greenply Industries Limited and Greenlam Industries Limited, a wholly owned subsidiary of the Company and their respective shareholders and creditors for demerger of the Decorative Business (comprised of Laminates and Allied products) of Greenply Industries Limited to Greenlam Industries Limited. In the same meeting, the Board also constituted the Demerger Committee comprising Mr. Shiv Prakash Mittal, Mr. Vinod Kumar Kothari and Mr. Susil Kumar Pal. The Committee is authorised to exercise various powers of the Board in respect of said Scheme of Arrangement. There was no meeting of the Demerger Committee during 2013-14.

10. General Body Meetings

i. The details of last three Annual General Meetings of the shareholders are as under:

Financial year ended	Date of AGM	Venue	Time
March 31, 2013	23-08-2013 (23rd AGM)	Makum Road, Tinsukia, Assam - 786 125	10:00 A.M.
March 31, 2012	24-08-2012 (22nd AGM)	Makum Road, Tinsukia, Assam - 786 125	10:00 A.M.
March 31, 2011	19-08-2011 (21st AGM)	Makum Road, Tinsukia, Assam - 786 125	10:00 A.M.

ii. Special resolutions passed at the last three Annual General Meetings are as below:

- At the 23rd Annual General Meeting held on August 23, 2013:

a. Resolution under Section 314(1)(b) of the Companies Act, 1956 to revise the terms of appointment of Ms. Parul Mittal, a relative of Directors of the Company.

b. Resolution under Section 309(4) of the Companies Act, 1956 for increasing the payment of annual commission to all Non-executive Directors excluding Nominee Directors with effect from the financial year 2012-13.

- At the 22nd Annual General Meeting held on August 24, 2012:

a. Resolution under Section 314(1B) of the Companies Act, 1956 for appointment of Ms. Parul Mittal, a relative of Directors, as President-Brand Management (Decorative Division) of the Company.

b. Resolution under Section 314(1) of the Companies Act, 1956 for appointment of Ms. Chitwan Mittal, a relative of Directors, as President-Brand Management (Engineered Panel Division) of the Company.

- At the 21st Annual General Meeting held on August 19, 2011:

Nil

iii. No special resolution was passed through postal ballot during the last year. Also no special resolution is proposed to be conducted through postal ballot so far.

11. Disclosures

a) The Company does not have related party transactions, which may have potential conflict with the interest of the Company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied in the annual accounts.

b) The financial statements have been made in accordance with the Accounting Standards so as to represent a true and fair view of the state of the affairs of the Company.

c) The Company has laid down procedures to inform Board Members about the risk assessment and minimisation procedure, which are periodically reviewed.

d) No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital market during the last three years.

e) The Company complied with all the mandatory requirements as prescribed and made considerable progress towards adopting the non-mandatory, whistle blower policy, in the Company. However, no person has been denied access to the Audit Committee.

f) In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key Managerial Personnel and Senior Management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

12. Adoption of non-mandatory requirements

The Company has complied with the non-mandatory requirements of Clause 49 of the Listing Agreement with regards to constitution of Remuneration Committee.

13. Means of communication

The quarterly/half-yearly/annual financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board of Directors. These are also published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English newspaper circulating the whole or substantially the whole of India and in one vernacular newspaper of the state where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website. The official press releases and/or presentation are also available on the Company's website.

Details about the means of communication:

Recommendation	Compliance
Quarterly/Annual results	Published in leading newspapers
Newspapers wherein results are normally published	*Ajir Assam* or *Amar Asom (Assamese daily), The Economic Times, Hindu Business Line* among others
Any website, where displayed	www.greenply.com
Whether it also displays official news releases and presentation made to institutional investors or to the analysts.	Yes

14. General shareholders' information

i. Date, time and venue of the Annual General Meeting	August 22, 2014 10:00 a.m. at "ROYALIDE", Hotel Royal Highness, G.N.B Road, Tinsukia, Assam - 786 125
ii. Financial Year	Financial year of the Company is from April 01 to March 31. Publication of results for the financial year 2014-15 (tentative and subject to change) First quarter results: On or before August 14, 2014 Second quarter and half year results: On or before November 14, 2014 Third quarter results: On or before February 14, 2015 Fourth quarter results and results for the year ending March 31, 2015: On or before May 30, 2015.
iii. Dates of book closure	From July 18, 2014 to July 22, 2014 (both days inclusive)
iv. Dividend payment date	Between August 26, 2014 and August 30, 2014
v. Listing of Equity Shares at Stock Exchanges:	BSE Ltd. (BSE) Floor 25, P. J. Towers, Dalal Street, Fort Mumbai - 400 001 National Stock Exchange of India Ltd.(NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051
vi. Stock Code/Symbol	BSE: 526797 NSE: GREENPLY

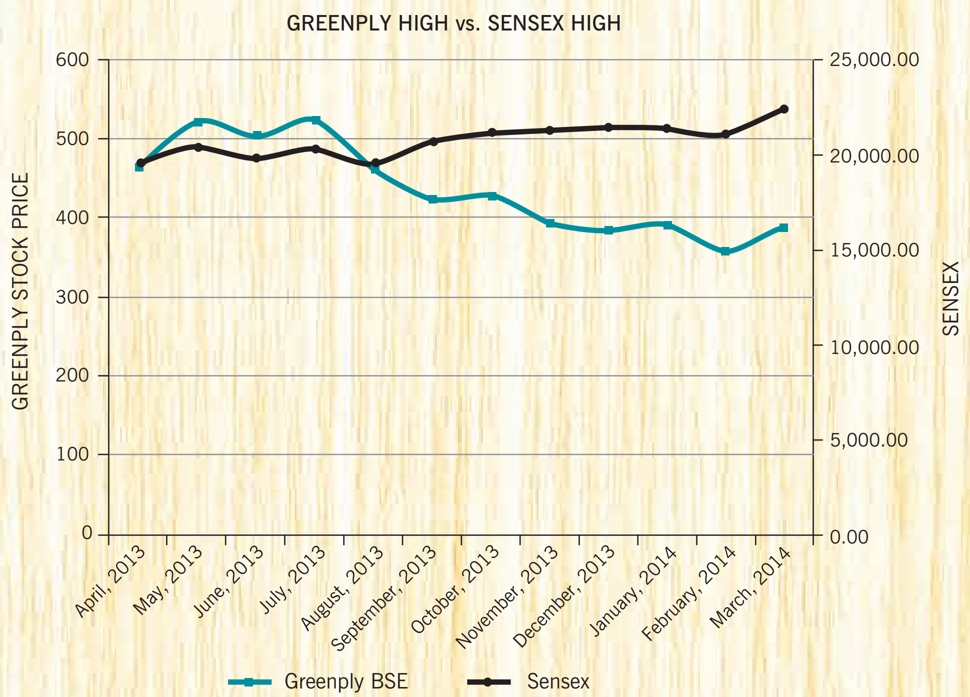
vii. Market price data for the financial year 2013-14:

Month	At BSE		At NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2013	463.65	357.60	464.80	355.00
May 2013	522.40	390.00	524.00	386.55
June 2013	505.00	420.00	504.40	421.00
July 2013	524.00	400.00	524.40	422.00
August 2013	463.05	390.65	467.90	391.25
September 2013	425.00	356.20	421.95	359.35
October 2013	430.00	352.10	466.70	352.40
November 2013	395.00	355.00	395.45	355.25
December 2013	384.95	352.00	388.60	352.00
January 2014	392.00	324.00	393.00	320.35
February 2014	359.95	300.55	348.00	301.00
March 2014	390.00	300.15	390.00	316.10

viii. E-mail ID for Investors: investors@greenply.com

ix. Performance in comparison to broad based indices such as BSE Sensex, CRISL index among others

Greenply shares performance:



x. Registrars and Share Transfer Agents

M/s. S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street,
Kolkata – 700 006
Phone: (033)-2219-4815/6797
Fax: (033)-2219-4815

xi. Share Transfer System

The Company has a Committee of the Board of Directors called Share Transfer and Investors' Grievance Committee, which meets as and when required. The formalities for transfer of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

xii. Distribution of equity shareholding as on March 31, 2014.

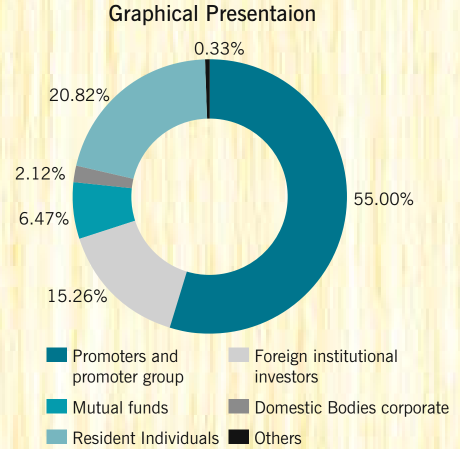
a. Distribution of shareholding by size is as given below:

Range in number of shares held	Number of shareholders	Percentage of shareholders	Number of shares held	Percentage of shares held
1-500	3338	89.35	283708	1.18
501-1,000	160	4.28	113747	0.47
1,001-2,000	94	2.52	130233	0.54
2,001-3,000	34	0.91	83842	0.35
3,001-4,000	21	0.56	73239	0.30
4,001-5,000	8	0.21	39501	0.16
5,001-10,000	23	0.62	157214	0.65
10,001-50,000	24	0.64	587116	2.43
50,001-100,000	8	0.21	536895	2.22
100,001 and Above	26	0.70	22130879	91.70
Total	**3736**	**100.00**	**24136374**	**100.00**

b. Distribution of shareholding by category is as given below:

Category of shareholders	Number of shares	Percentage of shares
Promoters and Promoter Group	1,32,75,000	55.00
Foreign Institutional Investors	36,83,041	15.26
Mutual Funds	15,61,537	6.47
Domestic Bodies Corporate	5,10,505	2.12
Resident Individuals	50,25,587	20.82
Others	80,704	0.33
Total	**2,41,36,374**	**100.00**

Graphical Presentaion



xiii. Dematerialisation of shares and liquidity

The Company's Equity Shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and the Ce ntral Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the company, as allotted by NSDL and CDSL, is INE 461C01020. Nearly 99.84% of total listed Equity Shares have been dematerialised as on March 31, 2014.

xiv. Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity: Nil.

xv. Corporate Identity Number (CIN): L20211AS1990PLC003484

xvi. Plant locations

Plywood & allied products	Laminate & allied products	Medium density fibreboard
• P.O. Tizit, Dist: Mon, Nagaland • Kriparampur, P.O. Sukhdevpur, Dist: 24Parganas(S), West Bengal • Plot No. 910-913, G.I.D.C. Estate, Bamanbore, Dist. Surendranagar, Gujarat - 363 520	• RIICO Industrial Estate, P.O. Behror, Dist: Alwar Rajasthan • Village Paterh Bhonku, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh - 174101	• Integrated Industrial Estate, Pantnagar, Udham Singh Nagar, Uttarakhand **Plywood and reconstructed veneers** • Integrated Industrial Estate, Pantnagar, Udham Singh Nagar, Uttarakhand

xvii. Address for correspondence

M/s. S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata – 700 006
Phone: (033) 2219-4815/6797
Fax: (033) 2219-4815
Contact Person: Mr. Dilip Bhattacharya, Director
Email: skcdilip@gmail.com/contact@skcinfo.com

On behalf of the Board of Directors

Place: Kolkata
Date: May 29, 2014

S. P. Mittal
Executive Chairman

AUDITORS' CERTIFICATE

To the Members of
Greenply Industries Limited

We have examined the compliance of conditions of Corporate Governance by Greenply Industries Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. 061127

Place: Kolkata
Dated: May 29, 2014

DECLARATION BY THE JOINT MANAGING DIRECTOR AND CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

To
The Members of
Greenply Industries Limited

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2014.

Place: Kolkata
Date: May 29, 2014

Saurabh Mittal
Joint Managing Director & CEO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To
The Board of Directors
Greenply Industries Limited

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2014 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee
  - (i) that there are no significant changes in internal control over financial reporting during the year ended March 31, 2014;
  - (ii) that there are no significant changes in accounting policies during the year ended March 31, 2014; and
  - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein of the management or employees having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: May 29, 2014

Saurabh Mittal
Joint Managing Director & CEO

Vishwanathan Venkatramani
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To
The Members of
Greenply Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. GREENPLY INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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.

Auditor's 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 March 31, 2014;

b) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

(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 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, 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 Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

Place of Signature: Kolkata
Dated: 29th May, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements".

1. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   (b) A substantial portion of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
   (c) As the Company has not disposed off any major part of the fixed assets, the going concern status of the Company is not affected.
2. In respect of its inventories:
   (a) As explained to us, the inventory has been physically verified during the year by the management at reasonable intervals.
   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
3. (a) As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clauses (iii)(a) to (iii)(d) of Paragraph 4 are not applicable.
   (b) As informed to us, the Company has taken loan from a company cover in the register maintained under section 301 of the Companies Act, 1956 the maximum amount involved was ₹1000.00 Lakhs and the year-end balance is ₹Nil; and
   (c) The loan was interest-free and as informed to us, other terms and conditions of loan taken by the Company were not *prima facie* prejudicial to the interest of the Company; and
   (d) The loan was repaid during the year.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
   (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered and the register required to be maintained under that section;
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. Further, the due date of submission of the Cost Auditor's report has not expired and the same has not been received by the Company.
9. In respect of statutory dues:
   (a) According to the records of the Company, the Company has generally been regular in depositing Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Entry Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities though there has been a slight delay in a few cases.

   Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

   (b) According to information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Sales Tax, Entry Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to us, the following disputed amounts have not been deposited by the Company :

Statement of disputed dues

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
A) i) West Bengal Sales Tax Act,1994	Sales Tax Surcharge & Additional Surcharge Penalty (For short submission of Declaration Form 11)	10.26	1998 – 1999	Senior Joint Commissioner of Commercial Taxes, Corporate Division
ii) West Bengal Sales Tax Act,1994	Sales Tax Surcharge & Additional Surcharge Penalty (For short submission of Declaration Form 11)	0.57	1999 – 2000	West Bengal Taxation Tribunal, Kolkata
iii) West Bengal Sales Tax Act,1994	Sales Tax Surcharge & Additional Surcharge Penalty (For short submission of Declaration Form 11)	67.08	2000 – 2001	Assistant Commissioner of Commercial Taxes, South Circle, Kolkata.
iv) West Bengal Sales Tax Act,1994	Disallowance of Vat Input Credit and Imposition of Purchase Tax	8.40	2005 – 2006	West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
v) West Bengal Sales Tax Act,1994	Disallowance of Vat Input Credit and Imposition of Purchase Tax	296.57	2008 – 2009	West Bengal Taxation Tribunal, Kolkata
B) i) Central Sales Tax Act, 1956	For short submission of Declaration Form C	17.59	2000 – 2001	Assistant Commissioner of Commercial Taxes, South Circle, Kolkata.
ii) Central Sales Tax Act, 1956	For short submission of Declaration Form C	8.72	2005 – 2006	West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
iii) Central Sales Tax Act, 1956	For short submission of Declaration Form C & F	74.63	2008 – 2009	Calcutta High Court, Kolkata
C) Rajasthan Entry Tax – Goods Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	76.06	2003 – 2004	Tax Board, Ajmer
D) Rajasthan Entry Tax – Goods Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	30.44	2004 – 2005	Tax Board, Ajmer
E) Rajasthan Entry Tax – Goods Act, 2003	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	55.74	2005 – 2006	Tax Board, Ajmer
F) Rajasthan Entry Tax – Goods Act, 2003	Constitutional validity of the Act	12.37	2007– 2008	Rajasthan High Court, Jodhpur
G) Central Sales Tax Act, 1956	Disallowance of Set-off of the Entry Tax in respect of Branch Transfers	13.51	2006 – 2007	Deputy Commissioner of Commercial Taxes (Appeals), Alwar.
H) Rajasthan Value Added Tax ACT,2003	Penalty for purchases against defective Road Permit	6.58	2013-2014	Appeallate Authority, Commercial Taxes, Alwar
I) Rajasthan Value Added Tax ACT, 2003	Imposition of VAT	46.85	2013-2014	Appeallate Authority, Commercial Taxes, Alwar
J) Central Excise Act, 1944	Departmental Appeal against cancellation of Penalty	43.71	2000-2001 to 2005-2006	Before CESTAT, East Zonal Bench, Kolkata
K) Central Excise Act, 1944	Disallowance of Cenvat Input Credit	19.71	2005-2006 & 2006-2007	Commissioner (Appeals), Kolkata-I
L) Central Excise Act, 1944	Penalty for above	19.71	2005-2006 & 2006-2007	Commissioner (Appeals), Kolkata-I
M) Central Excise Act, 1944	For imposition of Penalty	7.35	2006-2007 & 2007-2008	Commissioner (Appeals), Kolkata-I
N) Bihar Value Added Tax Act, 2005	Denial of Entry Tax Input Credit	41.24	2009-2010	Joint Commissioner of Commercial Taxes (Appeals), East & West Division, Patna
O) Bihar Value Added Tax Act, 2005	Denial of Entry Tax Input Credit	19.75	2008-2009	Joint Commissioner of Commercial Taxes (Appeals), East & West Division, Patna

Statement of disputed dues

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
P) Central Excise Act, 1944	Excise Duty on Resin for Captive Consumption	1321.66	June 2009 to February 2013	Before CESTAT, New Delhi
Q) Central Excise Act, 1944	Penalty on Above	1321.66		
R) The Uttarakhand Transit of Timber and Other Forest Produce Rules, 2012	Timber Transit Fee	152.22	07.08.2012 to 06.02.2014	High Court of Uttarakhand, Nainital
S) The Uttarakhand Agricultural Produce, Marketing (Development & Regulation) (Amendment) Act, 2012	Mandi Samiti Fee	485.71	01.11.2011 to 31.03.2014	High Court of Uttarakhand, Nainital

10. The Company does not have accumulated losses at the year end and has not incurred cash losses during the period covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiary companies from banks are not prejudicial to the interest of the Company.
16. In our opinion and according to information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. According to the information and explanations given to us, the Company has not issued any debentures.
20. The Company has not raised money by public issue during the period and hence the question of disclosure and verification of end use of such money does not arise.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

Place of Signature: Kolkata
Dated: 29th May, 2014

BALANCE SHEET as at 31st March, 2014

(₹ in Lacs)

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES:					
Shareholders' Funds :					
Share Capital	1	1206.82		1206.82	
Reserves & Surplus	2	57105.75		46506.23	
			58312.57		47713.05
Non-current Liabilities :					
Long-Term Borrowings	3	26104.87		23534.36	
Deferred Tax Liabilities (Net)	4	4860.96		4033.45	
Other Long Term Liabilities	5	814.23		841.35	
Long-Term Provisions	6	1980.81		1667.06	
			33760.87		30076.22
Current Liabilities					
Short-Term Borrowings	7	28845.77		29765.67	
Trade Payables		33125.98		29332.26	
Other Current Liabilities	8	17144.36		14669.63	
Short-Term Provisions	9	1085.88		1028.45	
			80201.99		74796.01
TOTAL			172275.43		152585.28
ASSETS :					
Non-current Assets					
Fixed Assets :	10				
Tangible Assets		67856.96		64345.68	
Intangible Assets		672.71		833.16	
Capital Work-in-Progress		9498.60		2337.08	
		78028.27		67515.92	
Investments	11	3128.89		1752.50	
Long Term Loans & Advances	12	5772.71		4338.51	
Other Non-current Assets	13	–		0.58	
			86929.87		73607.51
Current Assets					
Inventories	14	38287.71		32791.39	
Trade Receivables	15	35027.97		34320.70	
Cash & Bank Balances	16	1079.87		1627.82	
Short Term Loans & Advances	17	10920.07		10212.24	
Other Current Assets	18	29.94		25.62	
			85345.56		78977.77
TOTAL			172275.43		152585.28
Significant Accounting Policies					
Notes on Financial Statements	1 to 40				

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY** Chartered Accountants ICAI Firm Reg. No. **306147E**	S P Mittal *Executive Chairman*	Rajesh Mittal *Managing Director*
(Naveen Kumar Dhandaria) Partner Membership No. **61127**	K K Agarwal *Company Secretary*	Susil Kumar Pal *Director*

Place of Signature : Kolkata
Dated : 29th May 2014

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in Lacs)

	Note No.	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
INCOME :					
Sale of Products			225114.26		207513.91
Other Operating Revenue			149.75		267.52
			225264.01		207781.43
Less : Central Excise Duty			9312.21		7744.66
Revenue from Operations	19		215951.80		200036.77
Other Income	20		675.62		694.57
Total Revenue			216627.42		200731.34
EXPENDITURE :					
Cost of Materials Consumed	21		116656.21		111481.62
Purchase of finished/traded goods	22		13345.86		8658.87
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	23		(1357.93)		(1397.46)
Employees Benefits Expense	24		19351.17		16167.72
Finance Costs	25		5829.46		6072.18
Depreciation & Amortisation Expense	26		5756.86		5198.74
Other Expenses	27		40222.75		38712.39
Loss due to Fluctuation in Foreign Exchange Rates			1885.64		698.71
Total Expenditure			201690.02		185592.77
Profit before Tax [including ₹4570.49 lacs (previous year ₹4146.09 lacs) for discontinuing operations - Refer Note No. 30]			14937.40		15138.57
Tax Expense					
Current Tax		3130.95		3028.88	
Earlier years Tax		64.10		–	
Add/ (Less) : Mat Credit Entitlement		(531.83)		15.58	
		2663.22		3044.46	
Deferred Tax		827.51	3490.73	677.95	3722.41
Profit for the Year [including ₹3718.59 lacs (previous year ₹3126.57 lacs) for discontinuing operations - Refer Note No. 30]			11446.67		11416.16
Earnings per Equity Share of face value of ₹5 each	34				
Basic (in ₹)			47.42		47.30
Diluted (in ₹)			47.42		47.30
Significant Accounting Policies					
Notes on Financial Statements	1 to 40				

As per our annexed report of even date.

For **D. DHANDARIA & COMPANY** Chartered Accountants ICAI Firm Reg. No. **306147E**	S P Mittal *Executive Chairman*	Rajesh Mittal *Managing Director*
(Naveen Kumar Dhandaria) Partner Membership No. **61127**	K K Agarwal *Company Secretary*	Susil Kumar Pal *Director*

Place of Signature : Kolkata
Dated : 29th May 2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		14937.40		15138.57
Add: a) Depreciation	5756.86		5198.74	
b) Finance Costs	5829.46		6072.18	
c) Loss on Sale / Discard of Fixed Assets	365.45		165.56	
d) Gratuity	313.36		309.48	
e) Miscellaneous Expenditure written off	25.62		25.62	
		12290.75		11771.58
		27228.15		26910.15
Less: a) Interest Income	565.42		487.87	
b) Insurance Claim Received	122.86		258.97	
c) Dividend Received	0.09		0.15	
		688.37		746.99
Operating Profit before Working Capital Changes		26539.78		26163.16
Less: a) Increase in Trade and Other Receivables	2535.28		10829.25	
b) Increase in Inventories	5496.32		5062.24	
c) Decrease in Trade Payables	(5049.41)	2982.19	(13939.29)	1952.20
Cash Inflow (+)/Outflow (-) from Operations		23557.59		24210.96
Add/Less: a) Income Tax Paid/refund received (-)	3024.92		2950.99	
b) Gratuity Paid	106.88	3131.80	54.92	3005.91
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		**20425.79**		**21205.05**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
OUTFLOW				
a) Acquisition of Fixed Assets	15459.39		9352.50	
b) Interest amount Capitalised	299.97		62.20	
c) Investment	1376.39		878.00	
		17135.75		10292.70
Less : INFLOW				
a) Sale of Fixed Assets	603.53		173.98	
b) Interest Received	565.42		487.87	
c) Dividend Received	0.09		0.15	
d) Receipt of Capital Subsidy	–		30.00	
e) Insurance Claim Received	122.86	1291.90	258.97	950.97
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		**(15843.85)**		**(9341.73)**
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Long Term Borrowings	12447.01		6456.80	
b) Short Term Borrowings (Net)	(919.88)		(3635.73)	
c) Deferred Payment Liabilities (Net)	605.80		633.68	
		12132.93		3454.75
DEDUCT : OUTFLOW				
a) Miscellaneous Expenditure	29.36		–	
b) Long Term Borrowings	10392.59		8109.69	
c) Interest Paid	6041.40		6311.98	
d) Dividend & Corporate Dividend Tax Paid	847.15		561.04	
		17310.50		14982.71
Net Cash Inflow in course of Financing Activities		**(5177.57)**		**(11527.96)**
Net Increase (+) / Decrease in Cash/Cash Equivalents (A+B+C)		(595.63)		335.36
Add : Balance at the beginning of the year		965.28		629.92
Cash / Cash Equivalents at the close of the Year		**369.65**		**965.28**

As per our annexed report of even date.

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

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

Place of Signature : Kolkata
Dated : 29th May 2014

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

K K Agarwal
Company Secretary

Susil Kumar Pal
Director

SIGNIFICANT ACCOUNTING POLICIES

1.00 SIGNIFICANT ACCOUNTING POLICIES:

1.01 DISCLOSURE OF ACCOUNTING POLICIES (AS-1):

1.01.01 Nature of Operation

Company is an interior infrastructure company engaged in the business of manufacturing plywood and allied products, laminates, particle boards, medium density fibre boards, etc. through its factories at various locations and branches and dealers' network spread all over the country. It has four wholly owned subsidiary companies operating in overseas countries and two in India. It imports raw materials for manufacturing and also finished goods for trading. Manufactured goods are sold both in domestic and overseas markets. The Overseas subsidiaries of the Company are engaged in similar lines of business.

1.01.02 Accounting Concepts & Basis of Presentation

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 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

1.01.03 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.

1.02 VALUATION OF INVENTORIES (AS-2):

1.02.01 Stock of Raw Materials, Stores and spare parts are valued at cost; and of those in transit, at port and at Bonded Warehouse related to these items are valued at cost to date.

1.02.02 Goods-in-process is valued at cost.

1.02.03 Stock of Finished goods are valued at cost or net realisable value whichever is lower.

1.02.04 Waste and scraps are accounted at estimated realisable value.

1.02.05 Cost of inventories is generally ascertained on the 'weighted average' basis. Goods-in-process and finished goods are valued on absorption cost basis.

1.02.06 The self-generated Certified Emission Reductions (CERs) are recognized as asset on certification by UNFCCC and are valued at cost or net realizable value, whichever is lower.

1.03 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.

1.04 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.

SIGNIFICANT ACCOUNTING POLICIES

1.05 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES (AS –5):

Net Profit or loss for the period and prior period items are shown separately in the Statement of Profit & Loss.

1.06 DEPRECIATION (AS – 6):

1.06.01 Depreciation on Fixed Assets is provided for on straight-line method in accordance with and generally at the rates specified in Schedule XIV to the Companies Act, 1956.

1.06.02 Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period of use of such assets. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. In respect of continuous process plant, depreciation has been provided as per rates prescribed in Schedule XIV of the Companies Act, 1956.

1.06.03 Leasehold lands are amortised over the period of lease.

1.06.04 Intangible assets are amortised on straight-line method as follows :

Computer Software	-	5 years
Technical Know-how	-	2 years
Trademarks	-	10 years
Goodwill	-	5 years

1.07 REVENUE RECOGNITION (AS -9):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

1.07.01 **Sale of Goods:** Sales are accounted for on despatch of products to customers. Gross sales shown in the Statement of Profit & Loss are inclusive of Excise Duty and the value of self-consumption, inter-transfers and export incentives but excludes discounts, CST and VAT. Net sales are shown after deducting Excise duty which is disclosed at appropriate places.

1.07.02 **Interest:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

1.07.03 **Dividends:** Dividend from investment is recognized when the Company in which they are held declares the dividend and when the right to receive the same is established.

1.07.04 **Export incentives:** Benefit on account of entitlement to import goods free of duty under the Advance License Scheme, "Duty Entitlement Pass Book under Duty Exemption Scheme (DEPB)", Duty Free Replenishment Certificate (DFRC), Duty Free Import Authorisation (DFIA) Scheme, Status Holder Incentive Scrip (SHIS) Scheme and Focus Market Scheme (FMS), to the extent of their face value, are accounted for as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, DEPB, DFRC, DFIA, SHIS or FMS and/or the same are sold.

1.08 ACCOUNTING FOR FIXED ASSETS (AS – 10):

1.08.01 Fixed Assets are stated at cost less accumulated depreciation. Cost includes borrowing costs and all incidental expenditure net of CENVAT, Service Tax Input Credit and VAT Input Credit, wherever applicable.

1.08.02 Revenue expenses incurred in connection with project implementation insofar as such expenses relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalized.

1.09 ACCOUNTING FOR THE EFFECTS IN FOREIGN EXCHANGE RATES (AS – 11):

1.09.01 **Initial Recognition:** Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.

1.09.02 **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

SIGNIFICANT ACCOUNTING POLICIES

1.09.03 **Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

1.09.04 **Integral Foreign Operation:** In respect of a branch, which is integral foreign operation, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.

1.09.05 **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability:** The premium or discount arising at the inception of forward exchange contract is recognized as an expense/income on the date of transaction. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

1.10 ACCOUNTING FOR INVESTMENTS (AS – 13):

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

1.11 EMPLOYEE BENEFITS (AS – 15):

1.11.01 Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

1.11.02 Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of past employment and other long term benefits are charged to the Statement of Profit and Loss.

1.12 BORROWING COSTS (AS – 16):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.13 SEGMENT REPORTING (AS – 17):

1.13.01 **Identification of Segments:**

Primary Segment

Business Segment:

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing and Sale of (a) Plywood & Allied products; (b) Laminates & Allied products, and (c) Medium Density Fibre Boards.

Secondary Segment

Geographical Segment:

The analysis of geographical segment is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

1.13.02 **Allocation of Common costs:**

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

1.13.03 **Unallocated items:**

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

SIGNIFICANT ACCOUNTING POLICIES

1.14 RELATED PARTY DISCLOSURES (AS – 18):

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

1.15 LEASES (AS – 19):

In accordance with Accounting Standard 19 "Accounting for leases", lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

1.16 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.

1.17 ACCOUNTING FOR TAXES ON INCOME (AS – 22):

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

1.18 DISCONTINUING OPERATIONS (AS – 24):

During the pendency of the approval of the High Court and other regulatory compliances, no effect is given in the Financial Statements to the "Composite Scheme of Arrangement" approved by the Board of Directors except that profit / (loss) or tax attributable thereon in respect of the discontinuing operations are disclosed in the Statement of Profit and Loss. The assets, liabilities, revenue and cash flow of the proposed Demerged Undertaking are disclosed by way of Notes on Accounts.

1.19 INTANGIBLE ASSETS (AS – 26):

1.19.01 Internally generated intangible asset under development stage is recognized when it is demonstrated that it is technically feasible to use the same and the cost incurred for developing the same is ascertained. Technical Know-how so developed internally is amortised on a straight- line basis over its estimated useful life.

1.19.02 Intangible assets acquired by payment e.g., Trade marks, Goodwill and Technical Know-how are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):

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

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

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

1.21 EXCISE DUTY AND CUSTOM DUTY:

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/bonding of materials.

1.22 CONSUMPTION OF RAW MATERIALS, STORES & SPARE PARTS ETC. :

Raw Materials, Stores and spare parts etc., consumed are exclusive of (a) Excise Duty on inputs under Cenvat Scheme, (b) Service tax input credits, (c) Insurance Claims received (d) Entry Tax under Rajasthan Local Sales Tax Act and (e) VAT Input Credit under State laws, wherever applicable.

SIGNIFICANT ACCOUNTING POLICIES

1.23 SERVICE TAX & CESS:

Various expenses are accounted for after deducting the input tax credit available in respect of Service Tax, Education Cess and Secondary & Higher Education Cess.

1.24 TAXATION:

1.24.01 Tax expenses comprise of income tax and deferred tax including applicable surcharge and cess.

1.24.02 Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

1.24.03 MAT (Minimum Alternate Tax) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.24.04 Provision for deferred tax or credit for release thereof is accounted for as ascertained in accordance with principles stated in para 1.17 hereinabove.

1.24.05 Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the period.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

1. SHARE CAPITAL

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Lacs	Number	₹ in Lacs
1.1 Authorised				
Equity Shares of ₹5 each	32000000	1600.00	32000000	1600.00
Cumulative Redeemable Preference Shares of ₹10 each	5000000	500.00	5000000	500.00
	37000000	**2100.00**	**37000000**	**2100.00**
1.2 Issued, Subscribed and Fully Paid up				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
1.3 The reconciliation of the number of shares outstanding				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	–	–	–	–
Total	**24136374**	**1206.82**	**24136374**	**1206.82**

1.4 Terms/Rights attached to the Equity Shares

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognised as distribution to equity shareholders was ₹3 (Previous year ₹3).

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.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

1. SHARE CAPITAL *(contd...)*

	As at 31st March, 2014		As at 31st March, 2013	
	Number	%	Number	%
1.5 Name of the Shareholders holding more than 5% Shares				
EQUITY SHARES				
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Greenply Leasing & Finance Pvt Ltd	2714731	11.25%	2714731	11.25%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
HSBC Bank (Mauritius) Ltd A/C Jwalamukhi Investment Holdings	2376884	9.85%	–	–
Ashish Dhawan	2369488	9.82%	2869488	11.89%
Shiv Prakash Mittal, Saurabh Mittal & Shobhan Mittal on behalf of Trade Combines, partnership firm	2110476	8.74%	2110476	8.74%
HDFC Trustee Company Ltd	1561537	6.47%	1390629	5.76%

2. RESERVES & SURPLUS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve				
As per last Balance Sheet	80.00		50.00	
Add: Capital Subsidy Received under "Central Capital Investment Subsidy Scheme, 2003"	–		30.00	
		80.00		80.00
Capital Redemption Reserve				
As per last Balance Sheet		500.00		500.00
Securities Premium Account				
As per last Balance Sheet		11625.92		11625.92
General Reserve				
As per last Balance Sheet	6578.58		5178.58	
Add: Transferred from Statement of Profit and Loss	1400.00		1400.00	
		7978.58		6578.58
Surplus				
As per last Balance Sheet	27721.73		18552.72	
Add: Net profit for the current year	11446.67		11416.16	
Less: Transferred to General Reserve	1400.00		1400.00	
Less: Proposed Dividend on Equity Shares	724.09		724.09	
[Dividend Per Share ₹3 (Previous year ₹3)]				
Less: Tax on Distribution of Dividend	123.06		123.06	
		36921.25		27721.73
Total		**57105.75**		**46506.23**

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

3. LONG-TERM BORROWINGS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Secured				
Term Loans				
From Banks				
Foreign Currency Loans	10578.96		10125.00	
Rupee Loans	14200.67		11987.57	
		24779.63		22112.57
From Others				
Rupee Loans		–		588.23
Deferred Payment Liabilities		611.76		109.81
		25391.39		22810.61
Unsecured				
Deferred Payment Liabilities		713.48		723.75
Total		**26104.87**		**23534.36**

3.1 Term Loan from Landesbank Baden-Wurttenberg is secured by first priority security charge on Main Press Line of MDF plant.

3.2 All other Term Loans are secured by first mortgage and charge on the immovable and movable properties of the company other than immovable properties at Tizit, Nagaland and Main Press line of MDF plant, ranking on pari passu basis, save and except current assets, both present and future and second charge over the current assets.

3.3 Deferred payment liabilities are in respect of finance of vehicles and are secured by hypothecation of the respective vehicles.

3.4 Terms of Repayment and Rate of Interest of Term Loans

(₹ in Lacs)

	Rate of Interest	Repayment Schedule				
		2015-16	2016-17	2017-18	2018-19	2019-20
Term Loans from Banks	2.17%	1620.82	1620.82	1620.82	–	–
	4.49%	790.55	790.55	826.48	–	–
	5.12%	945.41	945.41	945.41	472.70	–
	11.25%	1237.50	700.00	800.00	1600.00	100.00
	11.30%	368.00	504.00	12.00	–	–
	11.50%	600.00	600.00	600.00	600.00	600.00
	11.70%	1796.67	–	–	–	–
	11.75%	500.00	500.00	–	–	–
	12.25%	1096.50	621.00	112.50	–	–
	12.75%	1252.50	–	–	–	-

4. DEFERRED TAX LIABILITIES (NET) :

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
DEFERRED TAX LIABILITIES :				
Depreciation		6072.51		4993.65
LESS : DEFERRED TAX ASSETS :				
Provision for Gratuity/Liabilities	1057.52		791.15	
Deviation in value of Closing Stock U/S 145A	154.03		169.05	
		1211.55		960.20
Total		**4860.96**		**4033.45**

5. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Others				
Security Deposits from Customers		814.23		841.35

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

6. LONG TERM PROVISIONS

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Provisions for Employee Benefits (unfunded)		
For Gratuity	1157.64	974.40
For Leave Encashment	823.17	692.66
Total	**1980.81**	**1667.06**

7. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Secured				
Working Capital Loans				
from Banks				
Foreign Currency Loans	–		271.40	
Rupee Loans	12724.88		11261.09	
from Others				
Foreign Currency Loans	–		542.80	
Rupee Loans	–		570.00	
		12724.88		12645.29
Unsecured				
Other Loans and advances				
from Banks				
Foreign Currency Loan - Buyers' Credit	14120.89		15620.38	
Rupee Loans	2000.00		1500.00	
		16120.89		17120.38
Total		**28845.77**		**29765.67**

7.1 All Working Capital Loans are secured by first charge by way of hypothecation of current assets and second charge over movable and immovable properties of the Company except immovable properties at Tizit, Nagaland and Main Press line of MDF Plant, on pari-passu basis.

8. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Current maturities of Long Term Borrowings*	11847.03	10392.59
Current maturities of Deferred Payment Liabilities*	600.76	486.64
Interest Accrued but not due on borrowings	132.67	344.61
Advance from Customers	1086.47	1008.87
Unpaid Dividend	6.49	6.28
Statutory Dues	3470.94	2430.64
Total	**17144.36**	**14669.63**

* The terms are stated in notes nos. 3.1 to 3.3

8.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund Nil (Previous Year Nil)

9. SHORT TERM PROVISIONS

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits		
Gratuity	95.20	71.96
Leave Salary	143.53	109.34
Proposed Dividend		
Equity Shares	724.09	724.09
Tax on Distribution of dividend	123.06	123.06
Total	**1085.88**	**1028.45**

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

10. FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2013	Addition during the period	Deduction during the period	Total as at 31/03/2014	Upto 31/03/2013	For the period	Adjustment for Deductions	Total as at 31/03/2014	As at 31/03/2014	As at 31/03/2013
OWN ASSETS										
Tangible Assets										
Freehold Land	3331.34	15.51	–	3346.85	–	–	–	–	3346.85	3331.34
Leasehold Land	765.02	1176.88	–	1941.90	61.03	13.12	–	74.15	1867.75	703.99
Land Development	1434.82	–	–	1434.82	48.38	10.81	–	59.19	1375.63	1386.44
Buildings	14456.80	1075.46	0.13	15532.13	1801.27	418.38	0.13	2219.52	13312.61	12655.53
Plant & Equipments	58164.20	5565.53	986.37	62743.36	16802.63	4321.91	485.16	20639.38	42103.98	41361.57
Furniture & Fixtures	1461.37	870.68	43.65	2288.40	364.31	128.81	14.86	478.26	1810.14	1097.06
Vehicles	3210.08	1035.26	588.26	3657.08	552.48	324.93	166.92	710.49	2946.59	2657.60
Heavy Vehicles	169.53	–	–	169.53	90.86	14.18	–	105.04	64.49	78.67
Office Equipments	1884.63	164.29	69.15	1979.77	811.15	191.21	51.51	950.85	1028.92	1073.48
Sub Total	**84877.79**	**9903.61**	**1687.56**	**93093.84**	**20532.11**	**5423.35**	**718.58**	**25236.88**	**67856.96**	**64345.68**
Intangible Assets										
Computer Software	967.90	177.32	2.76	1142.46	416.37	178.79	2.76	592.40	550.06	551.53
Technical Knowhow	304.23	–	–	304.23	38.03	152.12	–	190.15	114.08	266.20
Trademarks	68.58	–	–	68.58	53.16	6.86	–	60.02	8.57	15.43
Goodwill	340.00	–	–	340.00	340.00	–	–	340.00	–	–
Sub Total	**1680.71**	**177.32**	**2.76**	**1855.27**	**847.56**	**337.77**	**2.76**	**1182.57**	**672.71**	**833.16**
Capital Work-in-Progress	2337.08	9142.95	1981.43	9498.60	–	–	–	–	9498.60	2337.08
Total	**88895.58**	**19223.88**	**3671.75**	**104447.71**	**21379.67**	**5761.12**	**721.34**	**26419.45**	**78028.27**	**67515.92**
Previous year's Total	79945.80	11072.49	2122.71	88895.58	16666.21	5199.50	486.04	21379.67	67515.92	-

10.1 Addition to Plant & Equipments includes ₹1885.52 lacs (Previous year ₹440.40 lacs) on account of loss due to fluctuation in Foreign Exchange Rates.

11. INVESTMENTS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Lacs	Number	₹ in Lacs
Investments in Equity Instruments (at Cost)				
Trade				
Unquoted, Fully Paid up				
Subsidiaries				
Greenlam Asia Pacific PTE Ltd - Equity Shares of S$ 1 each	2430642	1003.31	2430642	1003.31
Greenlam America Inc. - Equity Shares of US$ 1 each	1600000	740.23	1600000	740.23
Greenlam Europe (UK) Ltd. - Equity Shares of GBP 1 each [₹82 (Previous year ₹82)]	1	0.00	1	0.00
Greenply Industries (Myanmar) Pvt Ltd - Equity Shares of KYAT 100000 each	20583	1310.40	–	–
Greenply Trading Pte. Limited - Equity Shares of US$ 1 each	100000	59.99	–	–
Greenlam Industries Limited - Equity Shares of ₹5 each	100000	5.00	–	–
Greenlam VT Industries Pvt Ltd - Equity Shares of ₹10 each	10000	1.00	–	–
		3119.93		1743.54
Quoted, Fully Paid up				
Other than Trade				
Himalaya Granites Ltd - Equity Shares of ₹10 each	380583	8.14	380583	8.14
Indian Overseas Bank Ltd - Equity Shares of ₹10 each	3400	0.82	3400	0.82
Total		**3128.89**		**1752.50**
Aggregate amount of Quoted Investments		8.96		8.96
Aggregate amount of Unquoted Investments		3119.93		1743.54
		3128.89		**1752.50**
Aggregate Market Value of Quoted Investments		133.04		130.47

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

12. LONG TERM LOANS & ADVANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good		
Capital Advances	4859.06	3503.98
Security Deposits	913.65	834.53
Total	5772.71	4338.51

13. OTHER NON-CURRENT ASSETS (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unamortised Expenses	–	0.58

14. INVENTORIES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Raw Materials (at cost)	24641.34	20714.90
[including at Customs Warehouse ₹1742.90 lacs (Previous year ₹3090.91 lacs) and at Port ₹11.98 lacs (Previous year ₹349.97 lacs)]		
Stock in Process (at cost)	2174.76	2406.70
Finished Goods (lower of cost or net realisable value)	8938.99	7810.32
[including in Transit ₹707.27 lacs (Previous year ₹524.59 lacs) and at Port ₹159.74 (Previous year ₹21.83 lacs)]		
Stock In Trade (lower of cost or net realisable value)	679.62	218.42
[including in Transit ₹16.30 lacs (Previous year ₹33.81 lacs)]		
Certified Emission Reductions (CER)	8.68	8.68
(lower of cost or net realisable value)		
Stores & Spares (at cost)	1844.32	1632.37
Total	38287.71	32791.39
	Numbers	Numbers
14.1 CERs held in inventory	59864	59864

15. TRADE RECEIVABLES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
15.1 Outstanding for a period exceeding		
six months from due date	922.89	693.54
Other debts	34105.08	33627.16
Total	35027.97	34320.70
15.2 Secured, considered good	64.00	116.00
Unsecured, considered good	34963.97	34204.70
Total	35027.97	34320.70

16. CASH & BANK BALANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
16.1 Cash & Cash Equivalents		
Balances with Banks	278.14	898.34
Balances with Banks - unpaid dividend	6.49	6.28
Cash on Hand	85.02	60.66
	369.65	965.28

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

16. CASH & BANK BALANCES *(contd...)* (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
16.2 Other Bank Balances		
Term Deposits with Banks		
(Receipts pledged with banks & others as security deposits)		
Maturity within 12 months	683.14	333.83
Maturity over 12 months	27.08	178.36
Term Deposits with Banks (Others)		
Maturity within 12 months	–	150.35
	710.22	662.54
Total	1079.87	1627.82

17. SHORT TERM LOANS & ADVANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Advance to Staff & Workers	288.86	279.57
Advance against Purchases	815.83	1401.69
Other receivables	4693.14	3861.01
Service Tax Input Credit Receivable	252.64	534.88
Balance with Central Excise Authorities	1093.07	750.97
Advance Payment of Income Tax (Less Provision)	260.20	438.94
MAT Credit Entitlement	3160.12	2619.68
Advance Payment of Sales Tax (including unavailed VAT input credit)	356.21	325.50
Total	10920.07	10212.24

18. OTHER CURRENT ASSETS (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unamortised Expenses	29.94	25.62

19. REVENUE FROM OPERATIONS (₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
Sale of Products	225114.26		207513.91	
Less : Central Excise Duty	9312.21		7744.66	
Net Sales		215802.05		199769.25
Other Operating Revenue				
Insurance Claim Received	122.86		258.97	
Miscellaneous Income	26.89		8.55	
		149.75		267.52
Total		215951.80		200036.77

19.1 The Central Excise Duty debited to Profit and Loss Account is net of refund received ₹899.40 lacs (Previous year ₹1751.68 lacs) including ₹ Nil (Previous year ₹889.07 lacs) for earlier years. This refund is on account of exemption equivalent to the excise duty payable on value addition carried out by the Tizit unit and additional sums as per an interim order of the Hon'ble Guwahati High Court.

19.2 Company's both the units at Rudrapur (Uttarakhand) and its unit at Nalagarh (Himachal Pradesh) are exempt from levy of Central Excise Duty.

19.3 Central Excise Duty includes ₹32.23 lacs (Previous year ₹89.11 lacs) paid on account of differential excise duty for earlier years.

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

19. REVENUE FROM OPERATIONS *(contd...)*

(₹ in Lacs)

		For the year ended 31st March, 2014		For the year ended 31st March, 2013
19.4 PARTICULARS OF SALE OF PRODUCTS				
Decorative Laminates		69257.35		60937.90
[including exports ₹28054.71 lacs (Previous year ₹22739.26 lacs), export incentives ₹3531.97 lacs (Previous year ₹2822.85 lacs) and inter transfers ₹827.88 lacs (Previous year ₹523.31 lacs)]				
Decorative Veneers		10146.12		10084.45
[including exports ₹62.33 lacs (Previous year ₹38.03 lacs), and inter transfers ₹10.40 lacs (Previous year ₹13.21 lacs)]				
Plywood & Allied Products		108783.24		97402.77
[including exports ₹246.07 lacs (Previous year ₹120.46 lacs), and inter transfers ₹2878.38 lacs (Previous year ₹2781.88 lacs)]				
Medium Density Fibre Board		35254.93		37423.04
[including inter transfers ₹358.94 lacs (Previous year ₹427.48 lacs)]				
Others		1672.62		1665.75
[including exports ₹42.51 lacs (Previous year ₹1.96 lacs), inter transfers ₹545.83 lacs (Previous year ₹418.92 lacs)]				
		225114.26		207513.91

19.5 Manufactured goods consumed for own use is accounted for at selling price.

20. OTHER INCOME

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest & Wages Subsidy Received	26.96	22.82
Interest Received	565.42	487.87
Assignment of Keyman Insurance Policies	–	128.70
Liabilities no longer required written back	79.86	44.68
Prior Period Income	3.29	10.35
Dividend	0.09	0.15
Total	675.62	694.57

21. COST OF MATERIALS CONSUMED

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Paper	24427.21	21940.95
Timber	33339.64	37373.65
Veneer	16861.74	15386.46
Chemicals	33271.85	29139.58
Plywood / Particle Board / MDF	8187.45	7421.00
Others	568.32	219.98
Total	116656.21	111481.62
Imported	53051.93	46277.76
Indigenous	63604.28	65203.86
Total	116656.21	111481.62

21.1 Cost of Materials Consumed includes cost of materials sold ₹916.00 lacs (Previous year ₹1046.72 lacs).

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

22. PURCHASE OF FINISHED/TRADED GOODS

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Plywood	12991.50	8350.54
Decorative Laminates	272.69	289.23
[including inter transfer ₹ Nil (Previous year ₹7.77 lacs)]		
Medium Density Fibre Board	81.67	19.10
Total	13345.86	8658.87

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

(₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
OPENING STOCK				
Finished Goods	7810.32		6819.75	
Stock in Trade	218.42		536.33	
Certified Emission Reductions (CER)	8.68		4.50	
Goods-in-Process	2406.70	10444.12	1686.08	9046.66
CLOSING STOCK				
Finished Goods	8938.99		7810.32	
Stock in Trade	679.62		218.42	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	2174.76	11802.05	2406.70	10444.12
Total		(1357.93)		(1397.46)

24. EMPLOYEES BENEFITS EXPENSE

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salary, Wages & Bonus	17899.90	14880.80
Contribution to Provident Fund & Employees' State Insurance	979.81	812.37
Employees' Welfare Expenses	471.46	474.55
Total	19351.17	16167.72

24.1 Disclosures Regarding Employee Benefits

Defined Contribution Plan: Employee benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, respectively, are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation. Defined Benefit Obligation at the year end amounted to ₹1252.84 lacs (previous year ₹1046.36 lacs).

Actuarial assumptions:

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8	8
Expected rate of return on plan assets (per annum)	–	–
Rate of escalation in salary (per annum)	5	5

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

25. FINANCE COSTS (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Expense	5687.39	5919.27
Other Borrowing Cost	142.07	152.91
Total	**5829.46**	**6072.18**

26. DEPRECIATION & AMORTIZATION EXPENSE (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation & Amortization Expense	5761.12	5199.50
Less : Transfer from Revaluation Reserve	–	0.76
Less : Transfer to Pre-Operative Expenses	4.26	–
Total	**5756.86**	**5198.74**

27. OTHER EXPENSES (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Consumption of stores & spares	1381.63	1348.13
Power & Fuel	8896.42	10016.13
Rent	1210.38	941.80
Repairs to buildings	159.27	106.78
Repairs to machinery	1119.09	1241.02
Insurance	370.91	392.42
Rates and taxes	940.48	616.22
Travelling expenses	1921.68	1886.55
Freight & delivery expenses	10094.59	8920.52
Export Expenses	2952.05	2338.83
Advertisement & Sales promotion	5807.14	6268.89
Auditors Remuneration	35.64	26.93
Bank Charges	288.31	298.11
Loss on Sale / Discard of Assets	365.45	165.56
Prior Period Expenses	33.09	24.81
Other General Expenses	4646.62	4119.69
Total	**40222.75**	**38712.39**

27.1. CONSUMPTION OF STORES & SPARES (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Imported	117.53	125.68
Indigenous	1264.10	1222.45
Total	**1381.63**	**1348.13**

27.2. AUDITORS' REMUNERATION (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Statutory Audit Fees	18.00	16.00
Tax Audit Fees	2.00	2.00
Certification Fees	3.46	4.82
Expenses (incurred & reimbursed)	12.18	4.11
Total	**35.64**	**26.93**

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

28. CONTINGENT LIABILITIES AND COMMITMENTS

28.1 Capital Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹3389.08 lacs (Previous year ₹1334.66 lacs).

b. Uncalled liability on shares and other investments which are partly paid ₹ NIL (Previous year ₹ NIL)

c. Other commitments ₹ NIL (Previous year ₹ NIL)

28.2 Contingent liabilities

a. Counter-Guarantees given to banks for bank guarantees' established ₹226.94 lacs (Previous year ₹370.57 lacs).

b. Counter-Guarantees given to banks for Stand-by Letter of Credit (SBLC) facility ₹1796.70 lacs (Previous Year ₹1650 lacs). Outstanding amount of Overdraft limit availed by Greenlam America Inc. and Greenlam Asia Pacific Pte. Ltd. against SBLC facility is USD 19,40,000 and USD 10,00,000 respectively equivalent to ₹1760.77 lacs (Previous year ₹1597.01 lacs) translated at year-end exchange rate.

c. Letter of credit established but material not received amounting to ₹4805.63 lacs (Previous year ₹5276.21 lacs).

d. Guarantee/Letter of Assurance given to Banks for Bills discounting facilities (Channel Financing) – ₹6200 lacs (Previous Year ₹5000 lacs) and outstanding amount under this Bills Discounting facility – ₹4333.08 lacs (Previous year ₹4119.89 lacs)

e. Claims against the Company not acknowledged as debts – ₹68.82 lacs (Previous year – ₹72.91 lacs)

f. Disputed Demand of Statutory Dues in Appeal ₹4158.07 lacs (Previous year ₹881.31 lacs).

g. Amounts covered by Show cause notices received from Excise & other Government Authorities ₹11623.33 lacs (Previous Year ₹8783.20 lacs).

h. Amounts covered by Departmental appeals against orders in favour of the Company ₹5168.51 lacs (Previous Year ₹11.06 lacs).

i. Guarantee given to Banks in respect of loans to its wholly owned subsidiary US Dollar 80,00,000 (Previous Year US Dollar 10,000,000) and Singapore Dollar 22,36,000 (Previous Year Singapore Dollar 14,00,000) equivalent to ₹5855.19 lacs (Previous Year ₹6040 lacs), translated at year-end exchange rate.

j. In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately ₹15740.03 lacs (previous year ₹13985.32 lacs), which is required to be met at different dates, before 20.02.2020 (previous year 10.04.2019). In the event of non-fulfillment of the export obligation, the Company will be liable to pay customs duties of approximately ₹2225.95 lacs (Previous Year ₹1748.17 lacs) together with interest, as applicable.

29. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

30 DISCONTINUING OPERATIONS:

30.1 The Company's Board of Directors at its meeting held on 30th September, 2013 approved a "Composite Scheme of Arrangement", under sections 100 to 104 and 391 to 394 of the Companies Act, 1956 or any statutory modification or re-enactment thereof read with the applicable provisions of the Companies Act, 2013 ("the Act"), for demerging its "**Decorative Business**" on a going concern basis to the newly formed subsidiary company, namely, M/s. Greenlam Industries Limited (Greenlam). The Decorative Business comprises of manufacturing and marketing of high pressure laminates, decorative veneers, compact laminates and allied product(s) which is reported as a separate segment viz., "Laminates and Allied Products" as per AS 17- Segment Reporting and presently, it 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. Limited (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), hereinafter referred to as the "**Demerged Undertaking**". Upon the Scheme becoming effective and 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 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. Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of this Scheme, 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 this 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.

Currently, after receipt of the approval of the scheme from the National Stock Exchange of India Limited and BSE Limited, the Company has sought approval of the scheme from the Hon'ble Gauhati High Court which is pending for disposal. It proposes to comply with other regulatory approvals and compliances in course of time by 31st March, 2015.

Pending approval of the High Court and other regulatory compliances, the Company has undertaken to carry on the business of the Demerged Undertaking in the ordinary course of business for and on account of and in trust for Greenlam. 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 till the Effective date, shall for all purposes, be treated as the incomes, profits (including taxes paid) or expenses and losses, as the case may be of Greenlam.

30.2 Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations i.e. Decorative division of the company which is proposed to demerge w.e.f. 1st April, 2013.

(₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
INCOME:				
Sale of Products		80410.28		71845.89
Other Operating Revenue		80.50		228.39
		80490.78		72074.28
Less : Central Excise Duty		3610.80		3511.71
Revenue from Operations		76879.98		68562.57
Other Income		277.70		216.33
Total Revenue		**77157.68**		**68778.90**
EXPENDITURE:				
Cost of Materials Consumed		45730.98		41545.54
Purchase of finished/traded goods		402.17		332.72
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade		(443.91)		(810.06)
Employees Benefits Expense		7411.00		6511.84
Finance Costs		2064.39		2110.72
Depreciation & Amortization Expense		2169.15		1986.60
Other Expenses		14446.26		12618.95
Loss due to Fluctuation in Foreign Exchange Rates		807.15		336.50
Total Expenditure		**72587.19**		**64632.81**
Profit before Tax		**4570.49**		**4146.09**
Tax Expense				
Current Tax	957.99		971.15	
Add/ (Less) : Mat Credit Entitlement	(28.25)		–	
	929.74		971.15	
Deferred Tax	(77.84)	851.90	48.37	1019.52
Profit for the Year		**3718.59**		**3126.57**

The carrying amounts of the total assets and liabilities of the Decorative division of the company are as follows :

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Total Assets	66429.63	54487.87
Total Liabilities	46176.74	37952.57
Net Assets	**20252.89**	**16535.30**

The net cash flow attributable to the Decorative division of the company is as below : (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Operating Activities	5788.34	3311.30
Investing Activities	(9244.67)	(2661.37)
Financing Activities	3478.56	(675.34)
Net cash inflow / outflows	**22.23**	**(25.41)**

31. Segment Reporting (Under Accounting Standard AS - 17 issued by ICAI)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March 2014

Information about Business Segments - Primary (₹ in Lacs)

Reportable Segment	Continuing Operations				Discontinuing Operations					
	Plywood & Allied Products		Medium Density Fibre Board & Allied Products		Laminate & Allied Products		Unallocated		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
REVENUE										
External Sales	106527.98	95445.06	34906.77	36990.54	79058.08	70913.50	–	–	220492.83	203349.10
Inter-segment Sales	2903.87	2804.94	365.36	427.48	1352.20	932.39	–	–	4621.43	4164.81
Gross Sales	109431.85	98250.00	35272.13	37418.02	80410.28	71845.89	–	–	225114.26	207513.91
Less : Excise Duty	5701.41	4232.95	–	–	3610.80	3511.71	–	–	9312.21	7744.66
Net Sales	**103730.44**	**94017.05**	**35272.13**	**37418.02**	**76799.48**	**68334.18**	–	–	**215802.05**	**199769.25**
Other Operating Income	48.50	45.16	30.97	1.07	70.28	221.29	–	–	149.75	267.52
Revenue from Operation	**103778.94**	**94062.21**	**35303.10**	**37419.09**	**76869.76**	**68555.47**	–	–	**215951.80**	**200036.77**
Other Income	30.44	8.38	19.93	38.65	38.34	29.91	21.49	129.76	110.20	206.70
Total Revenue	**103809.38**	**94070.59**	**35323.03**	**37457.74**	**76908.10**	**68585.38**	**21.49**	**129.76**	**216062.00**	**200243.47**
RESULT										
Segment Result	9407.93	9643.05	6345.12	7048.85	7473.58	7207.59	21.49	129.76	23248.12	24029.25
Unallocated Corporate Expenses							3046.68	3306.37	3046.68	3306.37
Operating Profit									20201.44	20722.88
Less : Interest Expense							5829.46	6072.18	5829.46	6072.18
Add : Interest Income							565.42	487.87	565.42	487.87
Profit before Tax									14937.40	15138.57
Current Tax									2599.12	3044.46
Deferred Tax									827.51	677.95
Tax for earlier years									64.10	–
Profit after Tax									**11446.67**	**11416.16**
OTHER INFORMATION										
Segment Assets	61114.61	53656.64	40120.35	38024.65	67342.57	54487.73	3667.96	6390.06	172245.49	152559.08
Segment Liabilities	18570.07	14564.81	5728.81	6488.35	15365.02	13331.92	2039.57	2274.44	41703.47	36659.52
Loan Fund							67398.43	64179.26	67398.43	64179.26
Deferred Tax Liabilities (Net)							4860.96	4033.45	4860.96	4033.45
Shareholders' Funds							58282.63	47686.85	58282.63	47686.85
Total Liabilities									**172245.49**	**152559.08**
Capital Expenditure	2516.13	3406.13	4915.80	3743.57	9535.36	2174.40	275.16	483.42	17242.45	9807.52
Depreciation	1641.79	1392.82	1756.05	1594.93	2063.64	1867.83	295.38	343.16	5756.86	5198.74
Non-cash expenses other than depreciation	100.15	46.57	8.63	9.31	68.49	9.90	29.21	188.78	206.48	254.56

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Secondary Segment - Geographical by location of customers (₹ in Lacs)

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended		For the year ended		For the year ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Within India	187396.44	176869.55	165677.43	147260.41	17242.45	9807.52
Outside India	28405.61	22899.70	6568.06	5298.67	–	–
	215802.05	199769.25	172245.49	152559.08	17242.45	9807.52

Notes:

a) **Business Segments :**
A description of the types of products and services provided by each reportable segment is as follows:

Plywood & Allied Products: The Segment is engaged in the business of manufacturing and trading of Plywood, block boards, veneer, doors and other wood panel products through its wholesale and retail network.

Laminate & Allied Products: The Segment is engaged in the business of manufacturing of Laminates, decorative veneers, compact laminates and other allied products through its wholesale and retail network.

Medium Density Fibre Boards & Allied Products: The Segment is engaged in the business of manufacturing of Medium Density Fibre Boards and other allied products through its wholesale and retail network.

b) **Segment Assets and Liabilities :**
All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include share capital, reserves and surplus, borrowings, proposed dividend and income tax (both current and deferred).

c) **Segment Revenue and Expenses :**
Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest income, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

32. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18

32.1 List of related parties and relationship:

a) Related parties where control exists

Subsidiary Companies

i) Greenlam Asia Pacific Pte. Ltd.
ii) Greenlam America, Inc.
iii) Greenply Industries (Myanmar) Pvt Ltd
iv) Greenply Trading Pte. Limited
v) Greenlam Industries Limited
vi) Greenlam VT Industries Pvt Ltd
vii) Greenlam Europe (UK) Ltd.
viii) Greenlam Asia Pacific (Thailand) Co. Ltd.
ix) Greenlam Holding Co. Ltd.
x) Pt. Greenlam Asia Pacific

b) Related parties with whom transactions have taken place during the year.

Key Management Personnel

i) Mr. Shiv Prakash Mittal, Executive Chairman
ii) Mr. Rajesh Mittal, Managing Director
iii) Mr. Saurabh Mittal, Jt. Managing Director & CEO
iv) Mr. Shobhan Mittal, Executive Director

Enterprises Owned/Influenced by Key Management Personnel or their relatives

i) Himalaya Granites Ltd.
ii) Prime Holdings Pvt Ltd.
iii) S.M.Management Pvt Ltd.
iv) Prime Properties Pvt Ltd.
v) Trade Combines

Relative of Directors

i) Mrs. Parul Mittal (Wife of Mr. Saurabh Mittal)
ii) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal)
iii) Ms. Surbhi Mittal (Daughter of Mr. Rajesh Mittal)

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

32.2 Transactions during the year:

(₹ in Lacs)

Particulars	Subsidiaries		Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Directors	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of Products								
Greenlam Asia Pacific Pte. Ltd.	13894.16	11314.79	–	–	–	–	–	–
Greenlam America, Inc.	3535.09	3609.41	–	–	–	–	–	–
Greenlam Europe (UK) Ltd.	771.97	246.79	–	–	–	–	–	–
Total	18201.22	15170.99	–	–	–	–	–	–
Assignment of Keyman Insurance Policies								
Shri Saurabh Mittal	–	–	–	61.74	–	–	–	–
Shri Shobhan Mittal	–	–	–	37.74	–	–	–	–
Shri Rajesh Mittal	–	–	–	29.22	–	–	–	–
Total	–	–	–	128.70	–	–	–	–
Reimbursement Received								
Greenlam Asia Pacific Pte. Ltd.	3.49	–	–	–	–	–	–	–
Greenlam America, Inc.	17.58	–	–	–	–	–	–	–
Total	21.07	–	–	–	–	–	–	–
Payment towards Services Received								
Himalaya Granites Ltd.	–	–	–	–	42.70	42.00	–	–
Prime Holdings Pvt Ltd.	–	–	–	–	31.68	31.68	–	–
Prime Properties Pvt Ltd.	–	–	–	–	30.00	30.00	–	–
S.M.Management Pvt Ltd.	–	–	–	–	20.16	20.16	–	–
Trade Combines	–	–	–	–	2.88	2.88	–	–
Total	–	–	–	–	127.42	126.72	–	–
Remuneration Paid								
Shri Shiv Prakash Mittal	–	–	339.93	281.58	–	–	–	–
Shri Rajesh Mittal	–	–	330.81	275.99	–	–	–	–
Shri Saurabh Mittal	–	–	327.21	273.57	–	–	–	–
Shri Shobhan Mittal	–	–	337.77	273.91	–	–	–	–
Mrs. Parul Mittal	–	–	–	–	–	–	29.90	30.20
Mrs. Chitwan Mittal	–	–	–	–	–	–	14.89	8.59
Ms. Surbhi Mittal	–	–	–	–	–	–	5.68	–
Total	–	–	1335.72	1105.05	–	–	50.47	38.79
Finance (Equity Contribution)								
Greenlam Asia Pacific Pte. Ltd.	–	878.00	–	–	–	–	–	–
Greenply Industries (Myanmar) Pvt. Ltd.	1310.40	–	–	–	–	–	–	–
Greenply Trading Pte. Limited	59.99	–	–	–	–	–	–	–
Greenlam Industries Limited	5.00	–	–	–	–	–	–	–
Greenlam VT Industries Pvt Ltd	1.00	–	–	–	–	–	–	–
Total	1376.39	878.00	–	–	–	–	–	–
Loan Taken and Repaid								
S.M.Management Pvt Ltd.	–	–	–	–	1000.00	–	–	–
Total	–	–	–	–	1000.00	–	–	–
Guarantee Given								
Greenlam Asia Pacific Pte. Ltd.	5855.19	6040.00	–	–	–	–	–	–
Total	5855.19	6040.00	–	–	–	–	–	-

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

32.2 Transactions during the year: *(contd...)*

(₹ in Lacs)

Particulars	Subsidiaries		Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Directors	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Amount outstanding as at Balance Sheet date								
Trade Receivable								
Greenlam Asia Pacific Pte. Ltd.	2807.17	3105.12	–	–	–	–	–	–
Greenlam America, Inc.	47.55	61.79	–	–	–	–	–	–
Greenlam Europe (UK) Ltd.	1018.76	246.79	–	–	–	–	–	–
Total	**3873.48**	**3413.70**	–	–	–	–	–	–
Remuneration Payable								
Shri Shiv Prakash Mittal	–	–	149.37	151.39	–	–	–	–
Shri Rajesh Mittal	–	–	149.37	151.39	–	–	–	–
Shri Saurabh Mittal	–	–	149.37	151.39	–	–	–	–
Shri Shobhan Mittal	–	–	149.37	151.39	–	–	–	–
Ms. Parul Mittal	–	–	–	–	–	–	2.54	14.35
Total	–	–	**597.48**	**605.56**	–	–	**2.54**	**14.35**

32.3 Investments by the loanee in the shares of the parent Company and its subsidiary companies, when the Company has made a loan or advance in the nature of loan ₹ NIL (Previous Year ₹ NIL)

Note : Related Party Relationship is as identified by the Company and relied upon by the Auditors.

33. LEASES

The company has taken certain vehicles under non-cancelable operating lease arrangements. The future minimum lease payments in respect of such non-cancelable leases as at 31st March, 2014 are summarized below:

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Amount due within one year	94.16	54.93
Amount due between one year and five years	298.94	167.34
Amount due above five years	–	–
	393.10	**222.27**

34. EARNINGS PER SHARE

		For the year ended 31st March, 2014	For the year ended 31st March, 2013
Calculation of weighted average number of equity shares of ₹5 each			
No of Shares at the beginning of the year		24136374	24136374
Total no. of equity shares outstanding at the end of the year		24136374	24136374
Equity shares outstanding for 365 days		24136374	24136374
Weighted average number of equity shares outstanding during the year		24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	11446.67	11416.16
BASIC EARNINGS PER SHARE	₹	47.42	47.30
No of Shares & Warrants at the beginning of the year		24136374	24136374
Total no. of equity shares and Warrants outstanding at the end of the year		24136374	24136374
Equity shares outstanding for 365 days		24136374	24136374
Weighted average number of equity shares outstanding during the year		24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	11446.67	11416.16
DILUTED EARNINGS PER SHARE	₹	47.42	47.30

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENEDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date :

Particulars	Currency	As at 31st March, 2014		As at 31st March, 2013	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Purchase (Hedging of Buyers Credit)	EURO	1608851	1390.51	8436341	6016.24
	USD	13463745	8589.96	8047636	4460.95
	JPY	6683300	41.14	–	–
	HKD	14733511	1210.58	–	–
			11232.19		**10477.19**
Purchase (Hedging of Trade Payables)	EURO	1525825	1258.69	2336291	1620.81
	USD	2378964	1424.76	1649230	895.20
	JPY	26207142	151.95	–	–
	HKD	–	–	28576380	1997.89
			2835.40		**4513.90**

Interest Rate Swap

Notional amount USD 60 Lacs ₹3593.40 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 2.12% p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.
Notional amount USD 53.40 Lacs ₹3198.13 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.09% p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.
Notional amount EURO 68.77 Lacs ₹5672.87 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.06% p.a. (in EURO) and receive a variable interest @ 6 month EURIBOR on outstanding notional amount.

Particulars of Unhedged Foreign Currency Exposures as at balance sheet date :

Particulars	Currency	As at 31st March, 2014		As at 31st March, 2013	
		Foreign Currency	₹ in Lacs	Foreign Currency	₹ in Lacs
Foreign Currency Term Loans	EURO	7859232	6483.28	9824040	6815.46
	USD	14940000	8947.57	13200000	7164.96
			15430.85		**13980.42**
Buyers Credit	EURO	1205844	994.73	–	–
	USD	3162320	1893.91	9334719	5066.89
	JPY	9918	0.06	12367735	76.30
			2888.70		**5143.19**
Trade Payables	EURO	2065895	1704.21	3336474	2314.69
	USD	3053587	1828.79	6739090	3657.98
	JPY	-	-	25542832	147.51
	GBP	4476	4.47	58	0.05
	HKD	-	-	8067	0.56
	CHF	-	-	937	0.53
	BRL	-	-	9249	2.67
	NZD	-	-	13163	5.97
	CAD	-	-	4467	2.38
			3537.47		**6132.34**

NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2014

Particulars of Unhedged Foreign Currency Exposures as at balance sheet date : *(contd...)*

Particulars	Currency	As at 31st March, 2014 Foreign Currency	As at 31st March, 2014 ₹ in Lacs	As at 31st March, 2013 Foreign Currency	As at 31st March, 2013 ₹ in Lacs
Advance to Vendors	EURO	1738691	1434.29	515090	357.34
	USD	642978	385.08	1477796	802.15
	SGD	2673	1.27	2673	1.17
	CHF	2065	1.40	–	–
	GBP	67	0.07	–	–
	NZD	–	–	35333	16.03
			1822.11		**1176.69**
Trade Receivables	EURO	3161641	2608.12	1595293	1106.74
	USD	6507471	3897.32	6183591	3356.45
			6505.44		**4463.19**
Advance from Customers	USD	30981	18.55	29089	15.79
			18.55		**15.79**

36. VALUE OF IMPORTS ON C.I.F. BASIS

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Raw Materials	42532.93	37873.65
Stock in Trade	1698.31	3115.64
Stores & Spare Parts	303.29	380.84
Capital Goods	3524.07	1579.63
	48058.60	**42949.76**

37. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Capital Expenditure	-	69.30
Revenue Expenditure	1394.63	1835.84
	1394.63	**1905.14**

38. EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
FOB Value of Exports	27966.76	22440.83

39. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

As at 31st March, 2014, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with the appropriate authority under Micro, Small and Medium Enterprises Act, 2006. So, no disclosure is made. The Company has compiled this information based on the current information in its possession.

40. ACCOUNTS OF SUBSIDIARY COMPANIES

The accounts of the subsidiary companies are not attached herewith as the Board of Directors of the Company resolved to avail the general exemption granted by the Ministry of Corporate Affairs, Government of India vide its Circular no.2 / 2011 dated 8th February, 2011.

As per our annexed report of even date.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

K K Agarwal
Company Secretary

Susil Kumar Pal
Director

Place of Signature : Kolkata
Dated : 29th May 2014

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Greenply Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. GREENPLY INDUSTRIES LIMITED** ("the Company"), and its wholly owned subsidiaries, (collectively called "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view 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 consolidated 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 consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

b) in the case of Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the consolidated financial statements of four wholly owned overseas subsidiary companies (viz. Greenlam Asia Pacific Pte. Ltd., Greenlam America, Inc., Greenply Industries (Myanmar) Pvt Ltd. and Greenply Trading Pte. Limited) whose financial statements reflect total assets of ₹15931.77 lacs as at 31st March, 2014, total revenue of ₹24065.51 lacs and cash inflows amounting to ₹84.06 lacs for the year then ended in which the share of profit of the Group is ₹259.14 lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the report of other auditors.

Another erstwhile wholly owned overseas subsidiary company of the Group (viz. Greenlam Europe (UK) Ltd.) became its step down subsidiary as Greenlam Asia Pacific Pte. Ltd. Acquired controlling interest over the same at the close of business on 30th June, 2013. This step-down subsidiary's assets as at 31st March, 2014 and its revenue for the period from 1st July, 2013 to 31st March, 2014 have been consolidated with the said wholly owned overseas subsidiary company of the Group (viz. Greenlam Asia Pacific Pte. Ltd.) So, these consolidated financial statements include the said step-down subsidiary's revenue for the period from 1st April, 2013 to 30th June, 2013 amounting to ₹20.94 lacs which is the balancing figure arrived at after deducting from its audited accounts for the year ended 31st March, 2014, the revenue for the period from 1st July, 2013 to 31st March, 2014, as so consolidated by the wholly owned subsidiary.

Our opinion is not qualified in respect of other matters.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard AS-21 on Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

Place of Signature: Kolkata
Dated: 29th May, 2014

CONSOLIDATED BALANCE SHEET as at 31st March, 2014

(₹ in Lacs)

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
EQUITY AND LIABILITIES:					
Shareholders' Funds :					
Share Capital	1	1206.82		1206.82	
Reserves & Surplus	2	57164.78		46193.18	
			58371.60		47400.00
Minority Interest			4.81		3.92
Non-current Liabilities :					
Long-Term Borrowings	3	26817.17		23741.50	
Deferred Tax Liabilities (Net)	4	4916.71		4071.12	
Other Long Term Liabilities	5	837.92		882.08	
Long-Term Provisions	6	1980.81		1667.06	
			34552.61		30361.76
Current Liabilities					
Short-Term Borrowings	7	35265.76		33816.25	
Trade Payables		35258.73		29736.15	
Other Current Liabilities	8	17464.48		14830.62	
Short-Term Provisions	9	1091.70		1043.15	
			89080.67		79426.17
TOTAL			**182009.69**		**157191.85**
ASSETS :					
Non-current Assets					
Fixed Assets :	10				
Tangible Assets		69134.02		65612.09	
Intangible Assets		735.71		895.70	
Capital Work-in-Progress		11712.42		2337.08	
		81582.15		68844.87	
Investments	11	8.96		8.96	
Long Term Loans & Advances	12	6313.16		4416.26	
Other Non-current Assets	13	771.39		408.35	
			88675.66		73678.44
Current Assets					
Inventories	14	42436.66		35779.70	
Trade Receivables	15	37172.54		34565.91	
Cash & Bank Balances	16	1324.15		1835.77	
Short Term Loans & Advances	17	12370.33		11306.41	
Other Current Assets	18	30.35		25.62	
			93334.03		83513.41
TOTAL			**182009.69**		**157191.85**
Significant Accounting Policies					
Notes on Financial Statements	1 to 38				

As per our annexed report of even date.

	For **D. DHANDARIA & COMPANY**	**S P Mittal**	**Rajesh Mittal**
	Chartered Accountants	*Executive Chairman*	*Managing Director*
	ICAI Firm Reg. No. **306147E**		
	(Naveen Kumar Dhandaria)	**K K Agarwal**	**Susil Kumar Pal**
Place of Signature : Kolkata	Partner	*Company Secretary*	*Director*
Dated : 29th May 2014	Membership No. **61127**		

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in Lacs)

	Note No.	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
INCOME :					
Sale of Products			230823.70		212150.95
Other Operating Revenue			177.68		339.88
			231001.38		212490.83
Less : Central Excise Duty			9312.21		7744.66
Revenue from Operations	19		221689.17		204746.17
Other Income	20		802.55		695.41
Total Revenue			**222491.72**		**205441.58**
EXPENDITURE :					
Cost of Materials Consumed	21		116656.21		111481.62
Purchase of finished/traded goods	22		14235.95		9556.87
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trdae	23		(2518.57)		(2496.80)
Payments & Other Benefits to Employees	24		22109.99		18185.24
Finance Costs	25		6017.22		6191.91
Depreciation & Amortization	26		5957.22		5361.55
Other Expenses	27		42733.22		40715.85
Loss/(Gain) due to Fluctuation in Foreign Exchange Rates			1892.06		699.34
Impairment Loss recognised on goodwill			124.93		–
Total Expenditure			**207208.23**		**189695.58**
Profit before Tax [including ₹4922.77 lacs (previous year ₹4688.52 lacs) for discontinuing operations - Refer Note No. 31]			**15283.49**		**15746.00**
Tax Expense					
Current Tax		3147.83		3058.77	
Earlier Years Tax		64.10		–	
Add/ (Less) : Mat Credit Entitlement		(531.83)		15.58	
		2680.10		3074.35	
Deferred Tax		845.60	3525.70	703.61	3777.96
			11757.79		11968.04
Minority Interest			0.55		1.87
Profit for the Year [including ₹4035.35 lacs (previous year ₹3611.58 lacs) for discontinuing operations - Refer Note No. 31]			**11757.24**		**11966.17**
Earnings per Equity Share of face value of ₹5 each	35				
Basic (in ₹)			48.71		49.58
Diluted (in ₹)			48.71		49.58
Significant Accounting Policies					
Notes on Financial Statements	1 to 38				

As per our annexed report of even date.

	For **D. DHANDARIA & COMPANY**	**S P Mittal**	**Rajesh Mittal**
	Chartered Accountants	*Executive Chairman*	*Managing Director*
	ICAI Firm Reg. No. **306147E**		
	(Naveen Kumar Dhandaria)	**K K Agarwal**	**Susil Kumar Pal**
Place of Signature : Kolkata	Partner	*Company Secretary*	*Director*
Dated : 29th May 2014	Membership No. **61127**		

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		15283.49		15746.00
Add: a) Depreciation	5957.22		5361.55	
b) Finance Costs	6017.22		6191.91	
c) Loss on Sale / Discard of Fixed Assets	365.53		167.74	
d) Gratuity	313.36		309.48	
e) Miscellaneous Expenditure written off	26.03		25.62	
f) Impairment of Goodwill	124.93		-	
g) On cessation of subsidiary	61.51		-	
h) Effect of Exchange Rate Changes	(362.05)		(255.73)	
		12503.75		11800.57
		27787.24		27546.57
Less: a) Interest Income	565.62		488.71	
b) Insurance Claim Received	122.86		258.97	
c) Dividend Received	0.09		0.15	
		688.57		747.83
Operating Profit before Working Capital Changes		27098.67		26798.74
Less: a) Increase in Trade and Other Receivables	5202.07		13219.26	
b) Increase in Inventories	6656.96		6161.58	
c) Decrease in Trade Payables	(6750.87)	5108.16	(13997.02)	5383.82
Cash Inflow (+)/Outflow (-) from Operations		21990.51		21414.92
Add/Less: a) Income Tax Paid/refund received (-)	3041.80		2980.88	
b) Gratuity Paid	106.88	3148.68	54.92	3035.80
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		**18841.83**		**18379.12**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
OUTFLOW				
a) Acquisition of Fixed Assets	18009.73		9501.63	
b) Interest amount capitalised	299.97		62.20	
		18309.70		9563.83
Less : INFLOW				
a) Sale of Fixed Assets	603.57		185.41	
b) Interest Received	565.62		488.71	
c) Dividend Received	0.09		0.15	
d) Receipt of Capital Subsidy	–		30.00	
e) Insurance Claim Received	122.86	1292.14	258.97	963.24
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		**(17017.56)**		**(8600.59)**
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Long Term Borrowings	13255.95		6456.80	
b) Short Term Borrowings (Net)	1449.50		(358.41)	
c) Deferred Payment Liabilities (Net)	586.60		614.64	
		15292.05		6713.03
DEDUCT : OUTFLOW				
a) Miscellaneous Expenditure	31.41		-	
b) Long Term Borrowings	10516.54		9105.76	
c) Interest Paid	6229.16		6431.71	
d) Dividend & Corporate Dividend Tax Paid	847.15		561.04	
		17624.26		16098.51
Net Cash Inflow in course of Financing Activities		**(2332.21)**		**(9385.48)**
Net Increase (+) / Decrease in Cash/Cash Equivalents (A+B+C)		(507.94)		393.05
Add : Balance at the beginning of the year		1118.68		725.63
Cash / Cash Equivalents at the close of the Year		**610.74**		**1118.68**

As per our annexed report of even date.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

Place of Signature : Kolkata
Dated : 29th May 2014

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

K K Agarwal
Company Secretary

Susil Kumar Pal
Director

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.00 SIGNIFICANT ACCOUNTING POLICIES:

1.01 DISCLOSURE OF ACCOUNTING POLICIES (AS-1):

1.01.01 Nature of Operation

Company is an interior infrastructure company engaged in the business of manufacturing plywood and allied products, laminates, particle boards, medium density fibre boards, etc. through its factories at various locations and branches and dealers' network spread all over the country. It has four wholly owned subsidiary companies operating in overseas countries and two in India. It imports raw materials for manufacturing and also finished goods for trading. Manufactured goods are sold both in domestic and overseas markets. The Overseas subsidiaries of the Company are engaged in similar lines of business.

1.01.02 Accounting Concepts & Basis of Presentation

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 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

1.01.03 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.

1.01.04 Companies included in Consolidation:

Greenlam Asia Pacific Pte Ltd. (Formerly: Gil Intercontinental Pte. Ltd.), Singapore and Greenlam America Inc., Florida (U.S.A) continue to be wholly-owned subsidiaries of the Company. During the year, Greenply Industries (Myanmar) Private Limited, Greenply Trading Pte. Limited, Greenlam Industries Limited and Greenlam VT Industries Private Limited were incorporated as wholly owned subsidiaries of the company. During the year, Greenlam Europe (UK) Ltd., West Midlands, United Kingdom has become "Step-Down subsidiary Company" w.e.f 1st July, 2013.

Greenlam Asia Pacific Pte. Ltd. continues to have three subsidiaries, viz. Greenlam Asia Pacific (Thailand) Co. Ltd., Greenlam Holding Co. Ltd. and PT. Greenlam Asia Pacific. (These Companies are referred to as "Step-Down subsidiary Companies" hereinafter). The minority interest in these step-down subsidiaries is 2.50%, 1.00% and 1.00% respectively. During the year Greenlam Europe (UK) Ltd., West Midlands, United Kingdom has become a step down subsidiary of the company w.e.f 1st July, 2013.

In respect of existing subsidiary Companies and existing step-down subsidiary Companies, their financial statements for the entire year have been included in the Group's Consolidated Financial Statements and in respect of the subsidiary Company and step-down subsidiary Company incorporated during the year, the financial statements since the date of incorporation to the end of the financial year have been included in the Group's Consolidated Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

List of Domestic Subsidiaries considered for Consolidation:

Sl. No.	Name of the Company	Nature of relationship	Country of Incorporation	Extent of Holding/Voting Power (%) as on 31st March, 2014	Extent of Holding/Voting Power (%) as on 31st March, 2013
1	Greenlam Industries Limited	Subsidiary	India	100.00	*
2	Greenlam VT Industries Private Limited	Subsidiary	India	100.00	**

* Greenlam Industries Limited has been incorporated on 12th August, 2013.

** Greenlam VT Industries Private Limited has been incorporated on 23rd August, 2013.

1.02 VALUATION OF INVENTORIES (AS-2):

1.02.01 Stock of Raw Materials, Stores and spare parts are valued at cost; and of those in transit, at port and at Bonded Warehouse related to these items are valued at cost to date.

1.02.02 Goods-in-process is valued at cost.

1.02.03 Stock of Finished goods are valued at cost or net realisable value whichever is lower.

1.02.04 Waste and scraps are accounted at estimated realisable value.

1.02.05 Cost of inventories is generally ascertained on the 'weighted average' basis. Goods-in-process and finished goods are valued on absorption cost basis.

1.02.06 The self-generated Certified Emission Reductions (CERs) are recognized as asset on certification by UNFCCC and are valued at cost or net realizable value, whichever is lower.

1.03 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 are segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheque in hand and short term investments with an original maturity of three months or less.

1.04 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.

1.05 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES (AS –5):

Net Profit or loss for the period and prior period items are shown separately in the Statement of Profit & Loss.

1.06 DEPRECIATION (AS – 6):

Relating to the Parent Company

1.06.01 Depreciation on Fixed Assets is provided for on straight-line method in accordance with and generally at the rates specified in Schedule XIV to the Companies Act, 1956. Leasehold lands are amortised over the period of lease.

1.06.02 Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period of use of such assets. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. In respect of continuous process plant, depreciation has been provided as per rates prescribed in Schedule XIV of the Companies Act, 1956.

1.06.03 Intangible assets are amortised on straight-line method as follows :

Computer Software	-	5 years
Technical Know-how	-	2 years
Trademarks	-	10 years
Goodwill	-	5 years

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Relating to Greenlam Asia Pacific Pte Ltd

1.06.04 Depreciation on fixed assets is calculated to write off the cost of the assets on a straight-line method over its estimated period of use.

Relating to Greenlam America Inc.

1.06.05 Depreciation on fixed assets is provided for on Straight Line Method as used for Federal Income Tax purposes.

PT. Greenlam Asia Pacific

1.06.06 Depreciation is provided to write off the cost or valuation, less estimated residual value, of tangible assets over their expected useful economic lives, as follows:

Office Equipment - 25% reducing balance

1.07 REVENUE RECOGNITION (AS -9):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

1.07.01 **Sale of Goods:** Sales are accounted for on despatch of products to customers. Gross sales shown in the Profit & Loss Account are inclusive of Excise Duty, Value added Tax/Sales Tax and the value of self-consumption and inter-transfers but excludes discounts. Net sales are shown after deducting Excise duty and Value Added Tax/Sales Tax which are disclosed at appropriate places.

1.07.02 **Interest:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable

1.07.03 **Dividends:** Dividend from investment is recognized when the Company in which they are held declares the dividend and when the right to receive the same is established.

1.07.04 **Rental Income:** Rental Income from operating leases (net of any incentives given to the lessees) is recognized on a straight-line basis over the lease term.

1.07.05 **Export incentives:** Benefit on account of entitlement to import goods free of duty under the Advance License Scheme, "Duty Entitlement Pass Book under Duty Exemption Scheme (DEPB)", Duty Free Replenishment Certificate (DFRC), Duty Free Import Authorisation (DFIA) Scheme, Status Holder Incentive Scrip (SHIS) Scheme and Focus Market Scheme (FMS), to the extent of their face value, are accounted for as and when exports are made i.e., in the year of export. Profit or loss arising on utilisation of the same and/or sale thereof are accounted for in the year in which either the imports are made against the said Advance License, DEPB, DFRC, DFIA, SHIS or FMS and/or the same are sold.

1.07.06 In case of manufacturing units exempt from payment of VAT/Sales tax under State laws, VAT input credit receivable is carried forward as an asset to the extent it is eligible for set-off in subsequent years.

1.08 ACCOUNTING FOR FIXED ASSETS (AS – 10):

1.08.01 Fixed Assets are stated at cost less accumulated depreciation. Cost includes borrowing costs as per Accounting Standard AS-16 issued by Institute of Chartered Accountants of India (ICAI) and all incidental expenditure net of CENVAT, Service Tax Input Credit and VAT Input Credit, wherever applicable.

1.08.02 Revenue expenses incurred in connection with project implementation insofar as such expenses relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalized

1.09 ACCOUNTING FOR THE EFFECTS IN FOREIGN EXCHANGE RATES (AS – 11):

1.09.01 **Initial Recognition:** Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.

1.09.02 **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.09.03 **Exchange Differences:** Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

1.09.04 **Integral Foreign Operation:** In respect of a branch, which is integral foreign operation, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year-end rates.

1.09.05 **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability:** The premium or discount arising at the inception of forward exchange contract is recognized as an expense/income on the date of transaction. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

1.09.06 **Non-Integral Foreign Operations:** In case of its wholly owned subsidiary companies, being non-integral foreign operations, the items are translated by applying (a) actual rates for items of income and expenses in the statement of Profit and Loss and (b) closing rate in respect of both monetary and non-monetary items in the Balance Sheet. The resulting exchange differences relating to long-term monetary items are accumulated in a separate account, rather than being recognised in the Profit and Loss Account. Such difference is ultimately dealt with when the net investment in the related foreign operation is disposed off.

1.10 ACCOUNTING FOR INVESTMENTS (AS – 13):

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

1.11 EMPLOYEE BENEFITS (AS – 15):

1.11.01 Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

1.11.02 Past employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

1.12 BORROWING COSTS (AS – 16):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.13 SEGMENT REPORTING (AS – 17):

1.13.01 **Identification of Segments:**

Primary Segment

Business Segment:

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of (a) Plywood & Allied products; and (b) Laminates & Allied products, and (c) Medium Density Fibre Boards.

Secondary Segment

Geographical Segment:

The analysis of geographical segment is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1.13.02 **Allocation of Common costs:**

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

1.13.03 **Unallocated items:**

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

1.14 RELATED PARTY DISCLOSURES (AS – 18):

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

1.15 LEASES (AS – 19):

In accordance with Accounting Standard 19 "Accounting for leases", lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account.

1.16 EARNINGS PER SHARE (AS – 20):

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

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.

1.17 CONSOLIDATED FINANCIAL STATEMENTS (AS – 21):

1.17.01 The consolidated financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intragroup balances and intragroup transactions and resulting unrealized profits (losses) are eliminated in full. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances to the extent practicable and in case of difference, the same is disclosed.

1.17.02 All the six subsidiary Companies of the group are wholly owned. One of the subsidiary Company has interest in four other subsidiaries thereof and the minority interests of the subsidiary in those subsidiaries have been presented.

1.18 ACCOUNTING FOR TAXES ON INCOME (AS – 22):

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

1.19 DISCONTINUING OPERATIONS (AS – 24):

During the pendency of the approval of the High Court and other regulatory compliances, no effect is given in the Financial Statements to the "Composite Scheme of Arrangement" approved by the Board of Directors except that profit / (loss) or tax attributable thereon in respect of the discontinuing operations are disclosed in the Statement of Profit and Loss. The assets, liabilities, revenue and cash flow of the proposed Demerged Undertaking are disclosed by way of Notes on Accounts.

1.20 INTANGIBLE ASSETS (AS – 26):

1.20.01 Internally generated intangible asset under development stage is recognized when it is demonstrated that it is technically feasible to use the same and the cost incurred for developing the same is

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

ascertained. Technical Know-how so developed internally is amortised on a straight- line basis over its estimated useful life.

1.20.02 Intangible assets acquired by payment e.g., Trade marks and Goodwill are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

1.21 IMPAIRMENT OF ASSETS (AS – 28):

There is no indication of any impairment based on internal/external factors in relation to the assets of the Company and as such, this Standard is not applicable in case of the Company.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):

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

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

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

1.23 EXCISE DUTY AND CUSTOM DUTY:

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/bonding of materials.

1.24 CONSUMPTION OF RAW MATERIALS, STORES & SPARE PARTS ETC. :

Raw Materials, Stores and spare parts etc., consumed are exclusive of (a) Excise Duty on inputs under Cenvat Scheme, (b) Service tax input credits, (c) Insurance Claims received (d) Entry Tax under Rajasthan Local Sales Tax Act under set-off scheme and (e) VAT Input Credit under State laws, wherever applicable.

1.25 SERVICE TAX & CESS:

Various expenses are accounted for after deducting the input tax credit available in respect of Service Tax, Education Cess and Secondary & Higher Education Cess.

1.26 TAXATION:

1.26.01 Tax expenses comprise of income tax and deferred tax including applicable surcharge and cess.

1.26.02 Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

1.26.03 MAT (Minimum Alternate Tax) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.26.04 Provision for deferred tax or credit for release thereof is accounted for as ascertained in accordance with principles stated in para 1.18 hereinabove.

1.26.05 Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the period.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

1. SHARE CAPITAL

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Lacs	Number	₹ in Lacs
1.1 Authorised				
Equity Shares of ₹5 each	32000000	1600.00	32000000	1600.00
Cumulative Redeemable Preference Shares of ₹10 each	5000000	500.00	5000000	500.00
	37000000	2100.00	37000000	2100.00
1.2 Issued, Subscribed and Fully Paid up				
Equity Shares of ₹5 each	24136374	1206.82	24136374	1206.82
1.3 The reconciliation of the number of shares outstanding				
Equity Shares at the beginning of the year	24136374	1206.82	24136374	1206.82
Add : Allotted during the year	–	–	–	–
Total	24136374	1206.82	24136374	1206.82

1.4 Terms/Rights attached to the Equity Shares

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the amount of per share dividend recognized as distribution to equity shareholders was ₹3 (Previous year ₹3).

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.

	As at 31st March, 2014		As at 31st March, 2013	
	Number	%	Number	%
1.5 Name of the Shareholders holding more than 5% Shares				
EQUITY SHARES				
S.M.Management Pvt Ltd	3543462	14.68%	3543462	14.68%
Greenply Leasing & Finance Pvt Ltd	2714731	11.25%	2714731	11.25%
Prime Holdings Pvt Ltd	2408560	9.98%	2408560	9.98%
HSBC Bank (Mauritius) Ltd A/C Jwalamukhi Investment Holdings	2376884	9.85%	–	–
Ashish Dhawan	2369488	9.82%	2869488	11.89%
Shiv Prakash Mittal, Saurabh Mittal & Shobhan Mittal on behalf of Trade Combines, partnership firm	2110476	8.74%	2110476	8.74%
HDFC Trustee Company Ltd	1561537	6.47%	1390629	5.76%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

2. RESERVES & SURPLUS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Capital Reserve				
As per last Balance Sheet	80.00		50.00	
Add: Capital Subsidy Received under "Central Capital Investment Subsidy Scheme, 2003"	–		30.00	
		80.00		80.00
Capital Redemption Reserve				
As per last Balance Sheet		500.00		500.00
Securities Premium Account				
As per last Balance Sheet		11625.92		11625.92
General Reserve				
As per last Balance Sheet	6578.58		5178.58	
Add: Transferred from Statement of Profit and Loss	1400.00		1400.00	
		7978.58		6578.58
Surplus				
As per last Balance Sheet	27408.68		17689.66	
Add: Net profit for the current year	11757.24		11966.17	
Add: On cessation of subsidiary	61.51		–	
Less: Transfer to General Reserve	1400.00		1400.00	
Less: Proposed Dividend on Equity Shares	724.09		724.09	
[Dividend Per Share ₹3 (Previous year ₹3)]				
Less: Tax on Distribution of Dividend	123.06		123.06	
		36980.28		27408.68
Total		**57164.78**		**46193.18**

3. LONG-TERM BORROWINGS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Secured				
Term Loans				
From Banks				
Foreign Currency Loans	11258.02		10281.11	
Rupee Loans	14200.67		11987.57	
		25458.69		22268.68
From Others				
Rupee Loans		–		588.23
Deferred Payment Liabilities		645.00		160.84
		26103.69		23017.75
Unsecured				
Deferred Payment Liabilities		713.48		723.75
Total		**26817.17**		**23741.50**

3.1 Term Loan from Landesbank Baden-Wurttenberg is secured by first priority security charge on Main Press Line of MDF plant of the Holding Company.

3.2 Term Loan from United Overseas Bank Ltd. is secured against the property at 11, Sungei Kedat Crescent, Singapore, Corporate Guarantee from Holding company and personal Guarantee of a director and Chief Operating Officer of Greenlam Asia Pacific Pte Ltd.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

3. LONG-TERM BORROWINGS

(₹ in Lacs)

3.3 Term Loans of the Group other than those stated in 3.1 and 3.2 above, are secured by first mortgage and charge on the immovable and movable properties of the holding Company excluding immovable properties at Tizit, Nagaland and Main Press line of MDF plant, ranking on pari passu basis, save and except current assets, both present and future and second charge over the current assets of the Holding Company.

3.4 Deferred payment liabilities are in respect of finance of vehicles and are secured by hypothecation of the respective vehicles.

3.5 Terms of Repayment and Rate of Interest of Term Loans

(₹ in Lacs)

	Rate of Interest	Repayment Schedule				
		2015-16	2016-17	2017-18	2018-19	2019-20
Term Loans from Banks	2.17%	1620.82	1620.82	1620.82	–	–
	4.49%	790.55	790.55	826.48	–	–
	5.12%	945.41	945.41	945.41	472.70	–
	11.25%	1237.50	700.00	800.00	1600.00	100.00
	11.30%	368.00	504.00	12.00	–	–
	11.50%	600.00	600.00	600.00	600.00	600.00
	11.70%	1796.67	–	–	–	–
	11.75%	500.00	500.00	–	–	–
	12.25%	1096.50	621.00	112.50	–	–
	12.75%	1252.50	–	–	–	–
	2.38%	35.57	–	–	–	–
	2.95%	157.30	162.04	166.88	157.27	-

4. DEFERRED TAX LIABILITIES (NET) :

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
DEFERRED TAX LIABILITIES :				
Depreciation		6128.26		5031.32
LESS : DEFERRED TAX ASSETS :				
Provision for Gratuity/Liabilities	1057.52		791.15	
Deviation in value of Closing Stock U/S 145A	154.03		169.05	
		1211.55		960.20
Total		**4916.71**		**4071.12**

5. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Others		
Security Deposits from Customers	837.92	882.08

6. LONG TERM PROVISIONS

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Provisions for Employee Benefits (unfunded)		
For Gratuity	1157.64	974.40
For Leave Encashment	823.17	692.66
Total	**1980.81**	**1667.06**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

7. SHORT TERM BORROWINGS

(₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
Secured				
Working Capital Loans				
from Banks				
Foreign Currency Loans	6419.99		2724.97	
Rupee Loans	12724.88		11261.09	
from Others				
Foreign Currency Loans	–		542.80	
Rupee Loans	–		570.00	
		19144.87		15098.86
Unsecured				
Other Loans and advances				
from Banks				
Foreign Currency Loans	–		1597.01	
Foreign Currency Loan - Buyers' Credit	14120.89		15620.38	
Rupee Loans	2000.00		1500.00	
		16120.89		18717.39
Total		35265.76		33816.25

7.1 Working Capital Loans of Greenlam Asia Pacific Pte Ltd., are secured against the bank's lien on the Fixed Deposits, 10% cash margin for the LC facility, first exclusive charge on all assets and accounts of the Company, and Corporate Guarantee of Holding Company. The bills payable LC-DP/TR is secured by bank's lien over the current assets of the Company for which a charge has been registered. Credit Faclilities for Long Term Working Capital Requirements of the business was taken against the SBLC given by the holding company for an amount of US$ 1,000,000/-

7.2 Working Capital Loans of the Holding Company are secured by first charge by way of hypothecation of current assets and second charge over movable and immovable properties of the Company except immovable properties at Tizit, Nagaland and Main Press line of MDF Plant, on pari-passu basis.

8. OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Current maturities of Long Term Borrowings*	12139.22	10522.76
Current maturities of Deferred Payment Liabilities*	613.46	500.75
Interest Accrued but not due on borrowings	132.67	344.61
Advance from Customers	1101.56	1025.58
Unpaid Dividend	6.49	6.28
Statutory Dues	3471.08	2430.64
Total	17464.48	14830.62

* The terms are stated in notes nos. 3.1 to 3.4

8.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund Nil (Previous Year Nil)

9. SHORT TERM PROVISIONS

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits		
Gratuity	95.20	71.96
Leave Salary	143.53	109.34
Proposed Dividend		
Equity Shares	724.09	724.09
Tax on Distribution of dividend	123.06	123.06
Provision for Taxation	5.82	14.70
Total	1091.70	1043.15

Greenply Industries Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

10. FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01/04/2013	Addition during the period	Currency translation adjustment	Deduction during the period	Total as at 31/03/2014	Upto 31/03/2013	For the period	Currency translation adjustment	Adjustment for deductions	Total as at 31/03/2014	As at 31/03/2014	As at 31/03/2013
OWN ASSETS												
Tangible Assets												
Freehold Land	3331.34	15.51	-	-	3346.85	-	-	-	-	-	3346.85	3331.34
Leasehold Land	765.02	1176.88	-	-	1941.90	61.03	13.12	-	-	74.15	1867.75	703.99
Land Development	1434.82	-	-	-	1434.82	48.38	10.81	-	-	59.19	1375.63	1386.44
Buildings	15679.56	1083.54	108.16	0.13	16871.13	2007.37	511.69	17.06	0.13	2535.99	14335.14	13672.19
Plant & Equipments	58197.19	5580.29	4.20	986.37	62795.31	16805.58	4331.08	0.26	485.16	20651.76	42143.55	41391.61
Furniture & Fixtures	1675.50	896.81	20.46	43.65	2549.12	475.47	166.73	9.51	14.86	636.85	1912.27	1200.03
Vehicles	3302.92	1035.26	8.22	588.26	3758.14	591.67	345.25	3.21	166.92	773.21	2984.93	2711.25
Heavy Vehicles	169.53	-	-	-	169.53	90.86	14.18	-	-	105.04	64.49	78.67
Office Equipments	2033.94	203.94	13.80	69.70	2181.98	897.37	225.71	7.43	51.94	1078.57	1103.41	1136.57
Sub Total	86589.82	9992.23	154.84	1688.11	95048.78	20977.73	5618.57	37.47	719.01	25914.76	69134.02	65612.09
Intangible Assets												
Computer Software	967.90	177.32	-	2.76	1142.46	416.37	178.79	-	2.76	592.40	550.06	551.53
Technical Knowhow	304.23	-	-	-	304.23	38.03	152.12	-	-	190.15	114.08	266.20
Trademarks	81.40	-	1.13	-	82.53	57.45	12.00	0.31	-	69.76	12.77	23.95
Goodwill	394.02	124.93	4.78	124.93	398.80	340.00	-	-	-	340.00	58.80	54.02
Sub Total	1747.55	302.25	5.91	127.69	1928.02	851.85	342.91	0.31	2.76	1192.31	735.71	895.70
Capital Work In Progress	2337.08	11356.77	-	1981.43	11712.42	-	-	-	-	-	11712.42	2337.08
Total	90674.45	21651.25	160.75	3797.23	108689.22	21829.58	5961.48	37.78	721.77	27107.07	81582.15	68844.87
Previous Year's Total	81484.70	11221.62	117.17	2149.04	90674.45	16948.60	5362.31	17.43	498.76	21829.58	68844.87	-

10.1 Addition to Plant & Equipments includes ₹1885.52 lacs (Previous year ₹440.40 lacs) on account of loss due to fluctuation in Foreign Exchange Rates.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

11. INVESTMENTS (₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Number	₹ in Lacs	Number	₹ in Lacs
Investments in Equity Instruments (at Cost)				
Trade				
Unquoted, Fully Paid up				
Other than Trade				
Himalaya Granites Ltd - Equity Shares of ₹10 each	380583	8.14	380583	8.14
Indian Overseas Bank Ltd - Equity Shares of ₹10 each	3400	0.82	3400	0.82
Total		8.96		8.96
Aggregate amount of Quoted Investments		8.96		8.96
Aggregate amount of Unquoted Investments		–		–
		8.96		8.96
Aggregate Market Value of Quoted Investments		133.04		130.47

12. LONG TERM LOANS & ADVANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered good		
Capital Advances	5027.85	3503.98
Security Deposits	1285.31	912.28
Total	6313.16	4416.26

13. OTHER NON-CURRENT ASSETS (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unamortised Expenses	1.23	0.58
Foreign Currency Translation Adjustment	770.16	407.77
	771.39	408.35

14. INVENTORIES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Raw Materials (at cost)	24641.34	20714.90
[including at Customs Warehouse ₹1742.90 lacs (Previous year ₹3090.91 lacs) and at Port ₹11.98 lacs (Previous year ₹349.97 lacs)]		
Stock in Process (at cost)	2174.76	2406.70
Finished Goods (lower of cost or net realisable value)	13087.94	10798.63
[including in Transit ₹909.74 lacs (Previous year ₹890.06 lacs) and at Port ₹159.74 (Previous year ₹21.83 lacs)]		
Stock In Trade (lower of cost or net realisable value)	679.62	218.42
[including in Transit ₹16.30 lacs (Previous year ₹33.81 lacs)]		
Certified Emission Reductions (CER)	8.68	8.68
(lower of cost or net realisable value)		
Stores & Spares (at cost)	1844.32	1632.37
Total	42436.66	35779.70
	Numbers	Numbers
14.1 CERs held in inventory	59864	59864

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

15. TRADE RECEIVABLES (₹ in Lacs)

	As at 31st March, 2014		As at 31st March, 2013	
15.1 Outstanding for a period exceeding				
six months from due date	957.27		710.82	
Less : Provision for Doubtful Debts	18.81		17.28	
		938.46		693.54
Other debts		36234.08		33872.37
Total		37172.54		34565.91
15.2 Secured, considered good		64.00		116.00
Unsecured, considered good		37108.54		34449.91
Total		37172.54		34565.91

16. CASH & BANK BALANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
16.1 Cash & Cash Equivalents		
Balances with Banks	506.87	1045.44
Balances with Banks - unpaid dividend	6.49	6.28
Cash on Hand	97.38	66.96
	610.74	1118.68
16.2 Other Bank Balances		
Term Deposits with Banks		
(Receipts pledged with banks & others as security deposits)		
Maturity within 12 months	686.33	388.38
Maturity over 12 months	27.08	178.36
Term Deposits with Banks (Others)		
Maturity within 12 months	–	150.35
	713.41	717.09
Total	1324.15	1835.77

17. SHORT TERM LOANS & ADVANCES (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Advance to Staff & Workers	323.52	291.32
Advance against Purchases	1816.75	2322.75
Other receivables	5083.23	3958.14
Service Tax Input Credit Receivable	252.64	534.88
Balance with Central Excise Authorities	1093.07	750.97
Advance Payment of Income Tax (Less Provision)	260.20	438.94
MAT Credit Entitlement	3160.12	2619.68
Advance Payment of Sales Tax (including unavailed VAT input credit)	380.80	389.73
Total	12370.33	11306.41

18. OTHER CURRENT ASSETS (₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Unamortised Expenses	30.35	25.62

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

19. REVENUE FROM OPERATIONS (₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
Sale of Products	230823.70		212150.95	
Less : Central Excise Duty	9312.21		7744.66	
Net Sales		221511.49		204406.29
Other Operating Revenue				
Insurance Claim Received	122.86		258.97	
Miscellaneous Income	54.82		80.91	
		177.68		339.88
Total		**221689.17**		**204746.17**

19.1 The Central Excise Duty debited to Profit and Loss Account is net of refund received ₹899.40 lacs (Previous year ₹1751.68 lacs) including ₹ Nil (Previous year ₹889.07 lacs) for earlier years. This refund is on account of exemption equivalent to the excise duty payable on value addition carried out by the Tizit unit and additional sums as per an interim order of the Hon'ble Guwahati High Court.

19.2 Company's both the units at Rudrapur (Uttarakhand) and its unit at Nalagarh (Himachal Pradesh) are exempt from levy of Central Excise Duty.

19.3 Central Excise Duty includes ₹32.23 lacs (Previous year ₹89.11 lacs) paid on account of differential excise duty for earlier years.

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
19.4 PARTICULARS OF SALE OF PRODUCTS		
Decorative Laminates	74745.88	65060.43
[including exports ₹28054.71 lacs (Previous year ₹22739.26 lacs), export incentives ₹3531.97 lacs (Previous year ₹2822.85 lacs) and inter transfers ₹827.88 lacs (Previous year ₹523.31 lacs)]		
Decorative Veneers	10146.12	10084.45
[including exports ₹62.33 lacs (Previous year ₹38.03 lacs), and inter transfers ₹10.40 lacs (Previous year ₹13.21 lacs)]		
Plywood & Allied Products	108994.69	97752.32
[including exports ₹246.07 lacs (Previous year ₹120.46 lacs), and inter transfers ₹2878.38 lacs (Previous year ₹2781.88 lacs)]		
Medium Density Fibre Board	35264.39	37588.00
[including inter transfers ₹358.94 lacs (Previous year ₹427.48 lacs)]		
Others	1672.62	1665.75
[including exports ₹42.51 lacs (Previous year ₹1.96 lacs), inter transfers ₹545.83 lacs (Previous year ₹418.92 lacs)]		
	230823.70	212150.95

19.5 Manufactured goods consumed for own use is accounted for at selling price.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

20. OTHER INCOME (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest & Wages Subsidy Received	69.82	22.82
Interest Received	565.62	488.71
Rental Income	83.87	–
Assignment of Keyman Insurance Policies	–	128.70
Liabilities no longer required written back	79.86	44.68
Prior Period Income	3.29	10.35
Dividend	0.09	0.15
Total	**802.55**	**695.41**

21. COST OF MATERIALS CONSUMED (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Paper	24427.21	21940.95
Timber	33339.64	37373.65
Veneer	16861.74	15386.46
Chemicals	33271.85	29139.58
Plywood / Particle Board / MDF	8187.45	7421.00
Others	568.32	219.98
Total	**116656.21**	**111481.62**
Imported	53051.93	46277.76
Indigenous	63604.28	65203.86
Total	**116656.21**	**111481.62**

21.1 Cost of Materials Consumed includes cost of materials sold ₹916.00 lacs (Previous year ₹1046.72 lacs).

22. PURCHASE OF FINISHED/TRADED GOODS (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Plywood	13165.06	8644.39
Decorative Laminates	982.00	737.72
[including inter transfer ₹ Nil lacs (Previous year ₹7.77 lacs)]		
Medium Density Fibre Board	88.89	174.76
Total	**14235.95**	**9556.87**

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE (₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
OPENING STOCK				
Finished Goods	10798.63		8708.72	
Stock in Trade	218.42		536.33	
Certified Emission Reductions (CER)	8.68		4.50	
Goods-in-Process	2406.70	13432.43	1686.08	10935.63
CLOSING STOCK				
Finished Goods	13087.94		10798.63	
Stock in Trade	679.62		218.42	
Certified Emission Reductions (CER)	8.68		8.68	
Goods-in-Process	2174.76	15951.00	2406.70	13432.43
Total		**(2518.57)**		**(2496.80)**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

24. EMPLOYEES BENEFITS EXPENSE

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salary, Wages & Bonus	20499.00	16816.14
Contribution to Provident Fund & Employees' State Insurance	1114.43	892.29
Employees' Welfare Expenses	496.56	476.81
Total	**22109.99**	**18185.24**

24.1 Disclosures Regarding Employee Benefits

Defined Contribution Plan: Employee benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, respectively, are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation. Defined Benefit Obligation at the year end amounted to ₹1252.84 lacs (previous year ₹1046.36 lacs)

Actuarial assumptions:

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Mortality Table (LIC)	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	8	8
Expected rate of return on plan assets (per annum)	–	–
Rate of escalation in salary (per annum)	5	5

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

25. FINANCE COSTS

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Expense	5875.15	6039.00
Other Borrowing Cost	142.07	152.91
Total	**6017.22**	**6191.91**

26. DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation & Amortization Expense	5961.48	5362.31
Less : Transfer from Revaluation Reserve	–	0.76
Less : Transfer to Pre-Operative Expenses	4.26	–
Total	**5957.22**	**5361.55**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

27. OTHER EXPENSES

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Consumption of stores & spares	1381.63	1348.13
Power & Fuel	8896.42	10016.13
Rent	1546.58	1164.85
Repairs to buildings	159.27	106.78
Repairs to machinery	1119.09	1241.02
Insurance	428.65	430.17
Rates and taxes	984.82	629.83
Travelling expenses	2387.65	2293.71
Freight & delivery expenses	10103.85	8921.44
Export Expenses	2952.05	2338.83
Advertisement & Sales promotion	6851.95	7104.79
Auditors Remuneration	72.22	45.57
Bank Charges	404.18	410.40
Loss on Sale / Discard of Assets	365.53	167.74
Prior Period Expenses	33.09	24.81
Other General Expenses	5046.24	4471.65
Total	**42733.22**	**40715.85**

27.1. CONSUMPTION OF STORES & SPARES

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Imported	117.53	125.68
Indigenous	1264.10	1222.45
Total	**1381.63**	**1348.13**

27.2. AUDITORS' REMUNERATION

(₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Statutory Audit Fees	54.34	32.88
Tax Audit Fees	2.00	2.00
Certification Fees	3.70	4.82
Expenses (incurred & reimbursed)	12.18	5.87
Total	**72.22**	**45.57**

28. CONTINGENT LIABILITIES AND COMMITMENTS

28.1 Capital Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹3389.08 lacs (Previous year ₹1334.66 lacs).

b. Uncalled liability on shares and other investments which are partly paid ₹ NIL (Previous year ₹ NIL)

c. Other commitments ₹ NIL (Previous year ₹ NIL)

28.2 Contingent liabilities

a. Counter-Guarantees given to banks for bank guarantees' established ₹226.94 lacs (Previous year ₹370.57 lacs).

b. Letter of credit established but material not received amounting to ₹4805.63 lacs (Previous year ₹5276.21 lacs).

c. Guarantee/Letter of Assurance given to Banks for Bills discounting facilities (Channel Financing) – ₹6200.00 lacs (Previous Year ₹5000.00 lacs) and outstanding amount under this Bills Discounting facility – ₹4333.08 lacs (Previous year ₹4119.89 lacs)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

d. Claims against the Company not acknowledged as debts – ₹68.82 lacs (Previous year – ₹72.91 lacs)

e. Disputed Demand of Statutory Dues in Appeal ₹4158.07 lacs (Previous year ₹881.31 lacs).

f. Amounts covered by Show cause notices received from Excise & other Government Authorities ₹11623.33 lacs (Previous Year ₹8783.20 lacs).

g. Amounts covered by Departmental appeals against orders in favour of the Company ₹5168.51 lacs (Previous Year ₹11.06 lacs).

h. In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately ₹15740.03 lacs (previous year ₹13985.32 lacs), which is required to be met at different dates, before 20.02.2020 (previous year 10.04.2019). In the event of non-fulfillment of the export obligation, the Company will be liable to pay customs duties of approximately ₹2225.95 lacs (Previous Year ₹1748.17 lacs) together with interest, as applicable.

29. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

30. The Parent Company (Greenply Industries Limited) is providing depreciation on fixed assets on straight line method in accordance with and generally at the rates specified in Schedule XIV to the Companies Act, 1956, whereas the wholly-owned subsidiaries have provided depreciation as follows:

Greenlam Asia Pacific Pte. Ltd.	On straight line basis over the expected useful lives of the fixed assets.
Greenlam America Inc.	On straight line method as used for Federal Income Tax purposes.
Greenlam Europe (UK) Ltd	On reducing balance method over the expected useful economic lives of the fixed assets.

31 DISCONTINUING OPERATIONS:

31.1 The Company's Board of Directors at its meeting held on 30th September, 2013 approved a "Composite Scheme of Arrangement", under sections 100 to 104 and 391 to 394 of the Companies Act, 1956 or any statutory modification or re-enactment thereof read with the applicable provisions of the Companies Act, 2013 ("the Act"), for demerging its "**Decorative Business**" on a going concern basis to the newly formed subsidiary company, namely, M/s. Greenlam Industries Limited (Greenlam). The Decorative Business comprises of manufacturing and marketing of high pressure laminates, decorative veneers, compact laminates and allied product(s) which is reported as a separate segment viz., "Laminates and Allied Products" as per AS 17- Segment Reporting and presently, it 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. Limited (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), hereinafter referred to as the "**Demerged Undertaking**". Upon the Scheme becoming effective and 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 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. Upon issue of the new equity shares by Greenlam to the shareholders of Greenply in terms of this Scheme, 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 this 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

Currently, after receipt of the approval of the scheme from the National Stock Exchange of India Limited and BSE Limited, the Company has sought approval of the scheme from the Hon'ble Gauhati High Court which is pending for disposal. It proposes to comply with other regulatory approvals and compliances in course of time by 31st March, 2015.

Pending approval of the High Court and other regulatory compliances, the Company has undertaken to carry on the business of the Demerged Undertaking in the ordinary course of business for and on account of and in trust for Greenlam. 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 till the Effective date, shall for all purposes, be treated as the incomes, profits (including taxes paid) or expenses and losses, as the case may be of Greenlam.

31.2 Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations i.e. Decorative division of the company which is proposed to demerge w.e.f. 1st April, 2013.

(₹ in Lacs)

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
INCOME:				
Sale of Products		86119.72		75968.42
Other Operating Revenue		108.43		300.75
		86228.15		76269.17
Less : Central Excise Duty		3610.80		3511.71
Revenue from Operations		82617.35		72757.46
Other Income		404.62		217.18
Total Revenue		**83021.97**		**72974.64**
EXPENDITURE :				
Cost of Materials Consumed		45730.98		41545.54
Purchase of finished/traded goods		1292.27		781.22
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade		(1604.55)		(1909.40)
Employees Benefits Expense		10169.83		8529.37
Finance Costs		2252.15		2230.45
Depreciation & Amortization Expense		2369.50		2149.40
Other Expenses		16950.60		14622.41
Loss due to Fluctuation in Foreign Exchange Rates		813.49		337.13
Impairment Loss recognised on goodwill		124.93		–
Total Expenditure		**78099.20**		**68286.12**
Profit before Tax		**4922.77**		**4688.52**
Tax Expense				
Current Tax	974.87		1001.04	
Add/ (Less) : Mat Credit Entitlement	(28.25)		–	
	946.62		1001.04	
Deferred Tax	(59.75)	886.87	74.03	1075.07
Minority Interest		0.55		1.87
Profit for the Year		**4035.35**		**3611.58**

The carrying amounts of the total assets and liabilities of the Decorative division of the company are as follows :

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Total Assets	74661.30	58695.52
Total Liabilities	45864.63	42830.60
Net Assets	**28796.67**	**15864.92**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

The net cash flow attributable to the Decorative division of the company is as below : (₹ in Lacs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Operating Activities	3259.00	485.37
Investing Activities	(9574.96)	(1920.24)
Financing Activities	6323.94	1467.08
Net cash inflow / outflows	**7.98**	**32.21**

32. SEGMENT REPORTING (Under Accounting Standard AS - 17 issued by ICAI)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March, 2014

Information about Business Segments - Primary (₹ in Lacs)

Reportable Segment	Continuing Operations				Discontinuing Operations					
	Plywood & Allied Products		Medium Density Fibre Board & Allied Products		Laminate & Allied Products		Unallocated		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013	31.3.2014	31.3.2013
REVENUE										
External Sales	106527.98	95794.61	34906.77	37155.50	84767.52	75036.03	–	–	226202.27	207986.14
Inter-segment Sales	2903.87	2804.94	365.36	427.48	1352.20	932.39	–	–	4621.43	4164.81
Gross Sales	109431.85	98599.55	35272.13	37582.98	86119.72	75968.42	–	–	230823.70	212150.95
Less : Excise Duty	5701.41	4232.95	–	–	3610.80	3511.71	–	–	9312.21	7744.66
Net Sales	**103730.44**	**94366.60**	**35272.13**	**37582.98**	**82508.92**	**72456.71**	–	–	**221511.49**	**204406.29**
Other Operating Income	48.50	45.16	30.97	1.07	98.21	293.65	–	–	177.68	339.88
Revenue from Operation	**103778.94**	**94411.76**	**35303.10**	**37584.05**	**82607.13**	**72750.36**	–	–	**221689.17**	**204746.17**
Other Income	30.44	8.38	19.93	38.65	165.07	29.91	21.49	129.76	236.93	206.70
Total Revenue	**103809.38**	**94420.14**	**35323.03**	**37622.70**	**82772.20**	**72780.27**	**21.49**	**129.76**	**221926.10**	**204952.87**
RESULT										
Segment Result	9401.73	9698.75	6345.12	7058.15	8013.43	7868.91	21.49	129.76	23781.77	24755.57
Unallocated Corporate Expenses							3046.68	3306.37	3046.68	3306.37
Operating Profit									20735.09	21449.20
Less : Interest Expense							6017.22	6191.91	6017.22	6191.91
Add : Interest Income							565.62	488.71	565.62	488.71
Profit before Tax									15283.49	15746.00
Current Tax									2616.00	3074.35
Deferred Tax									845.60	703.61
Income Tax for earlier years									64.10	–
Profit after Tax									**11757.79**	**11968.04**
OTHER INFORMATION										
Segment Assets	62758.34	53647.66	40120.35	38024.65	74661.30	58695.52	3667.96	6390.06	181207.95	156757.89
Segment Liabilities	19044.96	14573.01	5728.81	6488.35	17067.62	13799.75	2039.57	2274.44	43880.96	37135.55
Loan Fund							74835.61	68581.26	74835.61	68581.26
Deferred Tax Liabilities (Net)							4916.71	4071.12	4916.71	4071.12
Minority Interest							4.81	3.92	4.81	3.92
Shareholders' Funds							57569.86	46966.04	57569.86	46966.04
Total Liabilities									**181207.95**	**156757.89**
Capital Expenditure	4729.95	3406.13	4915.80	3743.57	9623.98	2323.53	275.16	483.42	19544.89	9956.65
Depreciation	1642.82	1392.85	1756.05	1594.93	2262.97	2030.60	295.38	343.17	5957.22	5361.55
Non-cash expenses other than depreciation	100.15	46.57	8.63	9.31	68.49	9.90	29.21	188.78	206.48	254.56

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

Secondary Segment - Geographical by location of customers (₹ in Lacs)

	Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	For the year ended		For the year ended		For the year ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Within India	187396.44	176869.55	165677.43	147260.41	17242.45	9807.52
Outside India	34115.05	27536.74	15530.52	9497.48	2302.44	149.13
	221511.49	**204406.29**	**181207.95**	**156757.89**	**19544.89**	**9956.65**

Notes:

a) **Business Segments :**

A description of the types of products and services provided by each reportable segment is as follows:

Plywood & Allied Products: The Segment is engaged in the business of manufacturing and trading of Plywood, block boards, veneer, doors and other wood panel products through its wholesale and retail network.

Laminate & Allied Products: The Segment is engaged in the business of manufacturing of Laminates, decorative veneers, compact laminates and other allied products through its wholesale and retail network.

Medium Density Fibre Boards & Allied Products: The Segment is engaged in the business of manufacturing of Medium Density Fibre Boards and other allied products through its wholesale and retail network.

b) **Segment Assets and Liabilities :**

All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include share capital, reserves and surplus, borrowings, proposed dividend and income tax (both current and deferred).

c) **Segment Revenue and Expenses :**

Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest income, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

33. RELATED PARTY DISCLOSURES AS PER ACCOUNTING STANDARD AS - 18

33.1 List of related parties and relationship:

a) Related parties with whom transactions have taken place during the year.

Key Management Personnel

i) Mr. Shiv Prakash Mittal, Executive Chairman

ii) Mr. Rajesh Mittal, Managing Director

iii) Mr. Saurabh Mittal, Jt. Managing Director & CEO

iv) Mr. Shobhan Mittal, Executive Director

Enterprises Owned/Influenced by Key Management Personnel or their relatives

i) Himalaya Granites Ltd.

ii) Prime Holdings Pvt Ltd.

iii) S.M.Management Pvt Ltd.

iv) Prime Properties Pvt Ltd.

v) Trade Combines

Relative of Directors

i) Mrs. Parul Mittal (Wife of Mr. Saurabh Mittal)

ii) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal)

iii) Ms. Surbhi Mittal (Daughter of Mr. Rajesh Mittal)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

33.2 Transactions during the year:

(₹ in Lacs)

Particulars	Key Management Personnel		Enterprises Owned/ Influenced by Key Management Personnel or their relatives		Relatives of Directors	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Assignment of Keyman Insurance Policies						
Shri Saurabh Mittal	–	61.74	–	–	–	–
Shri Shobhan Mittal	–	37.74	–	–	–	–
Shri Rajesh Mittal	–	29.22	–	–	–	–
Total	–	**128.70**	–	–	–	–
Payment towards Services Received						
Himalaya Granites Ltd.	–	–	42.70	42.00	–	–
Prime Holdings Pvt Ltd.	–	–	31.68	31.68	–	–
Prime Properties Pvt Ltd.	–	–	30.00	30.00	–	–
S.M.Management Pvt Ltd.	–	–	20.16	20.16	–	–
Trade Combines	–	–	2.88	2.88	–	–
Total	–	–	**127.42**	**126.72**	–	–
Remuneration Paid						
Shri Shiv Prakash Mittal	339.93	281.58	–	–	–	–
Shri Rajesh Mittal	330.81	275.99	–	–	–	–
Shri Saurabh Mittal	327.21	273.57	–	–	–	–
Shri Shobhan Mittal	337.77	273.91	–	–	–	–
Mrs. Parul Mittal	–	–	–	–	29.90	30.20
Mrs. Chitwan Mittal	–	–	–	–	14.89	8.59
Ms. Surbhi Mittal	–	–	–	–	5.68	–
Total	**1335.72**	**1105.05**	–	–	**50.47**	**38.79**
Loan Taken and Repaid						
S.M.Management Pvt Ltd.	–	–	1000.00	–	–	–
Total	–	–	**1000.00**	–	–	–
Amount outstanding as at Balance Sheet date						
Remuneration Payable						
Shri Shiv Prakash Mittal	–	–	149.37	151.39	–	–
Shri Rajesh Mittal	–	–	149.37	151.39	–	–
Shri Saurabh Mittal	–	–	149.37	151.39	–	–
Shri Shobhan Mittal	–	–	149.37	151.39	–	–
Ms. Parul Mittal	–	–	–	–	2.54	14.35
Total	–	–	**597.48**	**605.56**	**2.54**	**14.35**

Note : Related Party Relationship is as identified by the Company and relied upon by the Auditors.

34. LEASES

The company has taken certain vehicles under non-cancelable operating lease arrangements. The future minimum lease payments in respect of such non-cancelable leases as at 31st March, 2014 are summarized below:

(₹ in Lacs)

	As at 31st March, 2014	As at 31st March, 2013
Amount due within one year	237.70	150.53
Amount due between one year and five year	535.15	246.85
Amount due above five years	–	–
	772.85	**397.38**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

35. EARNINGS PER SHARE

		For the year ended 31st March, 2014	For the year ended 31st March, 2013
Calculation of weighted average number of equity shares of ₹5 each			
No of Shares at the beginning of the year		24136374	24136374
Total no. of equity shares outstanding at the end of the year		24136374	24136374
Equity shares outstanding for 365 days		24136374	24136374
Weighted average number of equity shares outstanding during the year		24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	11757.24	11966.17
BASIC EARNINGS PER SHARE	₹	48.71	49.58
No of Shares & Warrants at the beginning of the year		24136374	24136374
Total no. of equity shares and Warrants outstanding at the end of the year		24136374	24136374
Equity shares outstanding for 365 days		24136374	24136374
Weighted average number of equity shares outstanding during the year		24136374	24136374
Net Profit (after tax, available for equity shareholders)	₹ in Lacs	11757.24	11966.17
DILUTED EARNINGS PER SHARE	₹	48.71	49.58

36. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE, WHICH ARE NOT INTENEDED FOR TRADING OR SPECULATION PURPOSE

Forward Contract outstanding as at balance sheet date : (₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Purchase (Hedging of Buyers Credit)	11232.19	10477.19
Purchase (Hedging of Trade Payables)	2835.40	4513.90

Interest Rate Swap

Notional amount USD 60 Lacs ₹3593.40 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 2.12% p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.
Notional amount USD 53.40 Lacs ₹3198.13 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.09% p.a. (in USD) and receive a variable interest @ 3 month USD-LIBOR on outstanding notional amount.
Notional amount EURO 68.77 Lacs ₹5672.87 Lacs (Previous year Nil)	Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.06% p.a. (in EURO) and receive a variable interest @ 6 month EURIBOR on outstanding notional amount.

Particulars of Unhedged Foreign Currency Exposures as at balance sheet date : (₹ in Lacs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Foreign Currency Term Loans	16402.10	14266.69
Deferred Payment Liabilities	45.94	65.13
Buyers Credit	2888.70	5143.19
Trade Payables	5670.35	6536.23
Advance to Vendors	3823.95	3018.81
Trade Receivables	8634.44	4708.40
Advance from Customers	33.64	32.50

Greenply Industries Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2014

37. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

As at 31st March, 2014, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with the appropriate authority under Micro, Small and Medium Enterprises Act, 2006. So, no disclosure is made. The Company has compiled this information based on the current information in its possession.

38. ACCOUNTS OF SUBSIDIARY COMPANIES

The accounts of the subsidiary companies are not attached herewith as the Board of Directors of the Company resolved to avail the general exemption granted by the Ministry of Corporate Affairs, Government of India vide its Circular no.2 / 2011 dated 8th February, 2011.

As per our annexed report of even date.

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

(Naveen Kumar Dhandaria)
Partner
Membership No. **61127**

Place of Signature : Kolkata
Dated : 29th May 2014

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

K K Agarwal
Company Secretary

Susil Kumar Pal
Director

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES AS AT 31ST MARCH, 2014

(₹ in Lacs)

Name of the Subsidiary Company	Greenlam Asia Pacific Pte. Ltd.	Greenlam Asia Pacific (Thailand) Co., Ltd.	Greenlam Holding Co., Ltd.	PT. Greenlam Asia Pacific	Greenlam Europe (UK) Ltd.	Greenlam America, Inc.	Greenply Industries (Myanmar) Pvt Ltd	Greenply Trading Pte. Limited	Greenlam Industries Limited	Greenlam VT Industries Pvt Ltd
Share Capital	1156.61	73.99	18.50	128.05	187.88	958.24	1257.83	59.89	5.00	1.00
Reserve & Surplus	(31.22)	60.84	(6.26)	(1.56)	(399.50)	(724.50)	-	(6.20)	(0.80)	(0.27)
Total Assets	10508.57	1824.61	38.14	128.01	1164.74	1478.23	2958.99	55.13	4.37	0.90
Total Liabilities	9383.18	1689.78	25.90	1.52	1376.36	1244.49	1701.16	1.44	0.17	0.17
Investments (excluding Investments in Subsidiaries)	-	-	-	-	-	-	-	-	-	-
Turnover	17512.47	7580.72	-	118.27	231.58	4558.67	-	-	-	-
Profit before Taxation	37.97	41.46	(1.58)	18.64	(377.16)	277.42	-	(6.20)	(0.80)	(0.27)
Provisions for Taxation	21.24	11.92	-	0.96	-	-	-	-	-	-
Profit after Taxation	16.73	29.54	(1.58)	17.68	(377.16)	277.42	-	(6.20)	(0.80)	(0.27)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
Reporting Currency	SGD	THB	THB	IDR	GBP	USD	KYAT	USD	INR	INR
Country	Singapore	Thailand	Thailand	Indonesia	UK	USA	Myanmar	Singapore	India	India
Exchange rate as of 31st March, 2014	47.5846	1.8497	1.8497	0.00531	99.7849	59.8900	0.06111	59.8900	-	-

Place of Signature : Kolkata
Dated : 29th May 2014

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

Susil Kumar Pal
Director

K K Agarwal
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(₹ in Lacs)

Name of the Subsidiary Company	Greenlam Asia Pacific Pte. Ltd.	Greenlam Asia Pacific (Thailand) Co., Ltd.	Greenlam Holding Co., Ltd.	PT. Greenlam Asia Pacific	Greenlam Europe (UK) Ltd.	Greenlam America, Inc.	Greenply Industries (Myanmar) Pvt Ltd	Greenply Trading Pte. Limited	Greenlam Industries Limited	Greenlam VT Industries Pvt Ltd
Date from which they become subsidiary	17th October, 2006	1st April, 2011	1st April, 2011	5th June, 2012	19th September, 2012	23rd April, 2008	3rd July, 2013*	4th September, 2013	12th August, 2013	23rd August, 2013
Financial year of the subsidiary company ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
Holding Company's interest as at March 31, 2014	100.00%	97.50%	99.00%	99.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Shares held by holding Company in the subsidiary	2430642 ordinary shares of S$ 1 each	N.A.	N.A.	N.A.	1 equity shares of GBP 1 each	1600000 equity shares of US$ 1 each	20583 equity shares of KYAT 100000 each	100000 equity shares of US$ 1 each	100000 equity shares of ₹5 each	10000 equity shares of ₹10 each
The net aggregate amount of the subsidiary company's profit/(loss) so far as it concerns the members of the holding company										
a) Not dealt with in the holding company's accounts										
(i) For the financial year ended 31.03.2014 (₹ in lacs)	16.73	29.54	(1.58)	17.68	(377.16)	277.42	–	(6.20)	(0.80)	(0.27)
(ii) Upto the previous financial years of the subsidiary company (₹ in lacs)	(47.95)	31.31	(4.68)	(19.24)	(22.34)	(1001.92)	–	–	–	–
b) Dealt with in the holding company's accounts										
(i) For the financial year ended 31.03.2014	–	–	–	–	–	–	–	–	–	–
(ii) For the previous financial year of the subsidiary company since they become the holding company's subsidiaries	–	–	–	–	–	–	–	–	–	–

* Greenply Industries (Myanmar) Private Limited was incorporated as a subsidiary under the jurisdiction of the Company Registration Office (CRO), Myanmar. The temporary Certificate of Incorporation was issued on 03.07.2013 and subsequently Permanent Registration was issued after necessary compliances by CRO.

Place of Signature : Kolkata
Dated : 29th May 2014

S P Mittal
Executive Chairman

Rajesh Mittal
Managing Director

Susil Kumar Pal
Director

K K Agarwal
Company Secretary

CORPORATE INFORMATION

Board of Directors

Mr. Shiv Prakash Mittal, *Executive Chairman*
Mr. Rajesh Mittal, *Managing Director*
Mr. Saurabh Mittal, *Joint Managing Director & CEO*
Mr. Shobhan Mittal, *Executive Director*
Mr. Moina Yometh Konyak
Mr. Susil Kumar Pal
Mr. Vinod Kumar Kothari
Mr. Anupam Kumar Mukerji
Ms. Sonali Bhagwati Dalal
Mr. Upendra Nath Challu

Audit Committee

Mr. Susil Kumar Pal, *Chairman*
Mr. Vinod Kumar Kothari
Mr. Anupam Kumar Mukerji
Mr. Upendra Nath Challu
Mr. Rajesh Mittal
Mr. Shobhan Mittal

Stakeholders Relationship Committee

Mr. Anupam Kumar Mukerji, *Chairman*
Mr. Susil Kumar Pal
Mr. Rajesh Mittal
Mr. Shobhan Mittal

Nomination & Remuneration Committee

Mr. Susil Kumar Pal, *Chairman*
Mr. Anupam Kumar Mukerji
Mr. Vinod Kumar Kothari

Corporate Social Responsibility Committee

Mr. Vinod Kumar Kothari
Mr. Rajesh Mittal
Mr. Shobhan Mittal

Demerger Committee

Mr. Shiv Prakash Mittal
Mr. Vinod Kumar Kothari
Mr. Susil Kumar Pal

Operational Committee

Mr. Shiv Prakash Mittal
Mr. Rajesh Mittal
Mr. Susil Kumar Pal
Mr. Shobhan Mittal

Chief Financial Officer

Mr. Vishwanathan Venkatramani

Company Secretary & Vice President-Legal

Mr. Kaushal Kumar Agarwal

Registrar & Share Transfer Agent

M/s. S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street, Kolkata – 700 006
Phone: (033)-2219-4815/6797
Fax: (033)-2219-4815

Bankers/financial institutions

Axis Bank Ltd.
Bank of Baroda
Citibank N.A.
DCB Bank Ltd.
Export-Import Bank of India
Federal Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
Landesbank Baden-Wurttemberg
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India

Registered Office

Makum Road, P.O. Tinsukia, Assam - 786 125
CIN: L20211AS1990PLC003484

Statutory Auditors

M/s. D. Dhandaria & Company
Thana Road, P.O. Tinsukia, Assam -786125

Corporate Office

16A, Shakespeare Sarani, 2nd Floor
Kolkata - 700 071, India
Phone: (033)-3051-5000, 2282-2175
Fax: (033)-3051-5010
Email: kolkata@greenply.com
Website: www.greenply.com

Units

Laminates and allied Products
- Behror, Rajasthan
- Nalagarh, Himachal Pradesh

Plywood and allied products
- Tizit, Nagaland
- Kriparampur,West Bengal
- Bamanbore, Gujarat

Plywood and reconstructed veneers
- Pantnagar, Uttarakhand

Medium density fibreboard
- Pantnagar, Uttarakhand

Industries Limited

www.greenply.com