

Report on Corporate Governance

1. COMPANIES PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to achieve the highest levels of transparency, accountability, in all its interactions with its shareholders, employees, lenders, and the Government. We believe that Corporate Governance is a self-regulatory and voluntary code which means not only ensuring compliance with the regulatory requirements but also to be responsible to our stake holders' needs.

2. BOARD OF DIRECTORS

The Strength of the Board as on 31st March, 2019 is eight (08), out of which four (4) Directors are Independent Directors. The Board is headed by Mr. Keshav Narayan Kantamneni, Chairman of the Company. The Composition of the Board of Directors is in conformity with the Corporate Governance Code as mandated under the provisions of SEBI (LODR), 2015. The composition of the Board is as follows:

| Sl.No. | Name | Description |
|--------|----------------------------------|------------------------------------|
| 01 | Mr. Keshav Narayan Kantamneni | Chairman |
| 02 | Mr. Srinivasan Sethuraman | Managing Director |
| 03 | Mr. Ramesh Kumar Malpani | Joint Managing Director |
| 04 | Mr. Manohar Ramabtar Jhunjunwala | Executive Director |
| 05 | Mr. Subramaniya Sivam R | Non-Executive Independent Director |
| 06 | Mrs. Parul Satyan Bhatt | Non-Executive Independent Director |
| 07 | Mr. Ramgopal Lakshmi Ratan | Non-Executive Independent Director |
| 08 | Mrs. Reena Bathwal | Non-Executive Independent Director |

During the year, 4 (four) Board meetings were held on 29.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019.

The meetings of the board of directors are normally held at the Registered Office of the Company in Chennai. Meetings are generally scheduled well in advance. The notice of each board meeting is given in writing to each director. The board meets at least once in a quarter to review the quarterly performance and the financial results.

The composition and category of Directors on the Board, their attendance at the Board Meeting during the year and at the last Annual General Meeting, as also number of Directorships and Committee membership / Chairmanships and number of shares held by them as on 31st March, 2019 are as follows:

| Name of the Directors | Relationship with other Directors | Category | No. of Board Meetings attended | Attendance in last AGM | No of other Directorship in other public Company. | No. of membership / chairmanship of Board Committees of other Companies | |
|----------------------------------|-----------------------------------|---------------------------|--------------------------------|------------------------|---|---|--------------|
| | | | | | | No of Chairmanship | No of Member |
| Mr. Keshav Narayan Kantamneni | None | Executive | 2 | Yes | 2 | 1 | 1 |
| Mr. Srinivasan Sethuraman | None | Executive | 4 | - | 3 | None | 2 |
| Mr. Ramesh Kumar Malpani | None | Executive | 4 | Yes | - | None | None |
| Mr. Manohar Ramabtar Jhunjunwala | None | Executive | 3 | Yes | - | None | None |
| Mr. Subramaniya Sivam R | None | Non-Executive Independent | 4 | Yes | 1 | 1 | None |
| Mrs. Parul Satyan Bhatt | None | Non-Executive Independent | 4 | Yes | 1 | None | 2 |
| Mr. Ramgopal Lakshmi Ratan | None | Non-Executive Independent | 3 | Yes | 1 | 2 | 3 |
| Mrs. Reena Bathwal | None | Non-Executive Independent | 4 | Yes | 3 | None | 3 |

Note:

There is no inter se relationship between our Board members. The Company doesn't have any pecuniary relationship with any of the Non-Executive Directors.

KEY BOARD SKILLS, EXPERTISE AND COMPETENCIES

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and board effectiveness:

Entrepreneur / Leadership

Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.

Financial Expertise

Proficiency in financial management, capital allocation, and financial reporting processes together with the ability to read and comprehend the financial statements.

Risk Management and Compliance

Ability to anticipate key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation & compliance.

Global Exposure

Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks as well as a broad perspective on global market opportunities.

Plywood Industry Experience

A significant background in plywood or similar industries, resulting in knowledge of how to anticipate market trends, generate disruptive innovation and extend or create new business models.

Diversity

Representation of gender, ethnic, geographic cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders worldwide.

Policy Evaluation

Ability to comprehend the Company's governance philosophy and contribute towards its refinement periodically. Ability to evaluate policies, systems and processes in the context of the Company's businesses and review the same periodically.

Sales and Marketing

Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance brand reputation..

3. CODE OF CONDUCT

The Uniply Decor Limited Code of conduct, as adopted by the Board of Directors, is applicable to all directors and senior management of the Company. The written code of conducted can be viewed from the Company's website. As provided under provisions of SEBI (LODR) Regulations, 2015.

4. AUDIT COMMITTEE:

The Audit Committee constitutes of the following as on 31.03.2019

| Name of Members | Status |
|-------------------------------|----------|
| 1. Mr. Subrahmaniya Sivam R. | Chairman |
| 2. Mr. Ramgopal Lakshmi Ratan | Member |
| 3. Mrs. Reena Bathwal | Member |

MEETING & ATTENDANCE

During the year the meetings of the audit committee were held at the Registered Office of the Company on 29.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019. The attendance of the committee is given below;

| Name of Director | Category | Attendance Particulars | |
|----------------------------|---------------------------|-----------------------------------|-------------------------|
| | | No of Meetings Entitled to Attend | No of Meetings Attended |
| Mr. Subrahmaniya Sivam R. | Non-Executive Independent | 4 | 4 |
| Mr. Ramgopal Lakshmi Ratan | Non-Executive Independent | 4 | 3 |
| Mrs. Reena Bathwal | Non-Executive Independent | 4 | 4 |

Terms of reference of audit committee are as per guidelines set out in the SEBI (LODR), 2015 that inter alia include overseeing financial reporting processes, reviewing with the management the financial statements and adequacy of internal systems, reviewing the adequacy of internal checks and internal controls.

5. NOMINATION & REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee." The Committee is governed through Nomination & Remuneration Policy and to access the same, the web link is: [https://www.uniplydecor.com/docs/policy/NOMINATION%20 & %20REMUNERATION %20POLICY.pdf](https://www.uniplydecor.com/docs/policy/NOMINATION%20&%20REMUNERATION%20POLICY.pdf)

The brief terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Nomination and Remuneration Committee constitutes of the following as on 31.03.2019.

| Name of Members | Status |
|-------------------------------|----------|
| 1. Mr. Ramgopal Lakshmi Ratan | Chairman |
| 2. Mr. Subrahmaniya Sivam R. | Member |
| 3. Mrs. Reena Bathwal | Member |

During the year the meeting of the committee was held at the Registered Office of the Company on 14.08.2018, in which all the members of the committee were present.

PECUNIARY RELATIONSHIP OF NON-EXECUTIVE DIRECTORS

No pecuniary transactions have been entered into by the Company with any of the Non-Executive Directors of the Company during the year except payment of sitting fees of ₹25,000/- for the purpose of attending each Board meeting.

6. STAKEHOLDER RELATIONSHIP / GRIEVANCE COMMITTEE

The Stakeholders Relationship/Grievance Committee met time to time whenever requires to approve share transfers, transmissions, issue of duplicate share certificates, re-materialization of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents.

The Stakeholder Relationship/ Grievances Committee constitutes of the following non-executive Independent and Executive Directors as on 31.03.2019

| Name of Directors | Status | Status in the Committee |
|----------------------------|---------------------------|-------------------------|
| Mr. Ramgopal Lakshmi Ratan | Non-Executive Independent | Chairman |
| Mrs. Parul Satyan Bhatt | Non-Executive Independent | Member |
| Mrs. Reena Bathwal | Non-Executive Independent | Member |
| Mr. Subrahmaniya Sivam R. | Non-Executive Independent | Member |

The Board has appointed Mr. Sunil Kumar Deo, Company Secretary of the Company as the Compliance Officer, as required under SEBI (LODR) Regulations, 2015. The Board has also appointed Mr. Deo, Company Secretary as Nodal officer to ensure compliance with IEPF rules.

The meetings of Stakeholder Relationship/ Grievances Committee were held on 14.11.2018 & 14.02.2019.

No. of complaints/ Grievances received during the year- Nil.

No. of complaints/ Grievances resolved during the year- Nil.

No. of complaints/ Grievances pending during the year- Nil.

7. RISK MANAGEMENT COMMITTEE

Risk Assessment and minimization procedures have been framed by the Company named as "Risk Management Charter" and are reviewed by the Committee from time to time. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company. The Duties and Responsibilities of the Committee are as follows:

- Annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- Ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Evaluate significant risk exposures of the Company and access management's actions to mitigate the exposures in a timely manner.
- Co-ordinate its activities with Audit Committee in stances where there is any overlap with Audit activities.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at March 31, 2019 are as under: The Committee meets from time to time.

| Sl. No. | Name of the Member | Chairman/member |
|---------|----------------------------|-----------------|
| 1 | Mr. Ramgopal Lakshmi Ratan | Chairman |
| 2 | Mr. Sivam R Subramanian | Member |
| 3 | Mrs. Reena Bathwal | Member |
| 4 | Mrs. Parul Satyan Bhatt | Member |

8. INDEPENDENT DIRECTORS MEETING

Independent Directors meeting was held on 14.02.2019.

9. MANNER OF BOARD EVALUATIONS:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board' functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

10. CEO & CFO CERTIFICATION.

The certificate as required under SEBI (LODR), 2015 signed by Mr. Srinivasan Sethuraman, Managing Director and Mr. George Ninan, CFO of the Company was placed before the Board of Directors at their meeting held on 30.05.2019.

11. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as follows:

| Date | Time | Venue | Whether special Resolution passed |
|------------|-----------|--|-----------------------------------|
| 30.09.2016 | 11.00 A.M | Regd Off: 1/138, Ellamman Koil Street, Athipedu Village, Azhinjivakkam P.O., Sholavaram, Chennai-600067. | No |
| 27.09.2017 | 4.00 P.M. | Kasturi Srinivasan Hall, the Music Academy, New No:168, T.T.K Road, Royapettah, Chennai-600014 | Yes |
| 26.09.2018 | 9.30 A.M. | Kasturi Srinivasan Hall, the Music Academy, New No:168, T.T.K Road, Royapettah, Chennai-600014 | Yes |

There have been Special Resolutions passed by the Company's Shareholders through E-voting and Ballot during the financial year 2018-19. Details of the same already been disclosed and published in Stock Exchange sites and Company's website. During the period under review there are no resolutions passed through postal ballot.

12. DISCLOSURES

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management or relatives etc that may have potential conflict with the interest of the Company at large.

Transactions with Related parties are disclosed in the notes on accounts in note No. 33 forming part of the Balance Sheet.

During the last three years, there were no strictures or penalties imposed on the Company by either Stock Exchange or SEBI or any Statutory Authority for non-compliance or any matter related to the capital markets.

13. MEANS OF COMMUNICATION.

Quarterly/Half yearly Financials Results are approved and taken on records by the Board of Directors of the Company within 45 days from the date of closure of the relevant quarter and are sent to the Stock Exchanges immediately after the Board's approval. The results are also published in the Newspapers in English and Vernacular languages (published in Financial Express and Makkal Kural/Malai Sudar/ Malai Tamizhagam). These results are simultaneously posted on the Company's website.

14. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date : 30.09.2019
Time : 11.30 A.M
Venue : The Music Academy (Kasturi Srinivasan Hall)#Old No.306,
New No.168, T.T.K Road, Royapettah, Chennai - 600014

Tentative Financial Calendar

(Compliance of Regulation 33 of the SEBI (LODR) Regulation, 2015)

| Period ended | Financial Reporting On or before |
|----------------------|----------------------------------|
| 30th June, 2019 | August 14, 2019 |
| 30th September, 2019 | November 14, 2019 |
| 31st December, 2019 | February 14, 2020 |
| 31st March, 2020 | May 30, 2020 |

Book Closure

The Register of members and share transfer books of the Company shall remain closed from 24.09.2019 to 30.09.2019 (both days inclusive) for the purpose of annual general meeting.

Dividend payment date

No dividend has been declared for year under review.

Listing on Stock Exchanges

The Company's shares are listed in Bombay Stock Exchange Limited, Mumbai, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001. Company's scrip code is: 526957. The Company has paid necessary Listing fees.

Registrars and Share Transfer Agents

The Company's share transfer agent is M/s. Cameo Corporate Services Limited, Subramanian Building, V Floor, No. 1, Club House Road, Chennai – 600 002. Ph. No. 044-28460390. Contact person - Mrs. Kanthimathi J.

Plant Locations

- # 69, Nelveli Village, Uthiramerur Block, Dist -Kancheepuram., Tamilnadu-603107
- Survey No. 471/1, Bhachau Dudhia Road, P.O. Bhachau, Dist. Kutch, Gujarat – 370 140

Address for Correspondence:

Uniply Decor Limited,
No. 572, Anna Salai, Teynampet,
Chennai – 600 018
Tel. No. 044 – 24340025
Fax No. 044 – 24362018
E-mail: uvboards@yahoo.com, cs@uniply.in.

Outstanding GDRS/ADRS/Warrants or Any Convertible Instruments:

There were no outstanding GDRs/ADRs/ Warrants or any other Convertible Instruments as on 31.03.2019.

Dematerialization of Shares

The Company has established connectivity with M/s. National Securities Depositories Limited and Central Depository Services (India) Limited to facilitate investors to trade the shares in dematerialized form. The Demat ISIN number is INE493E01011. The total no's shares on Demat mode as on 31.03.2019 is 12,13,59,049.

Details of Total Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor are as follows:

| Particulars | Amount in ₹ |
|--------------------|-----------------|
| Audit Fee | 5,00,000 |
| Certification Fees | 55,000 |
| Total. | 5,55,000 |

Share Transfer System

In accordance with the requirements of Regulation 40(3) of Listing Regulations, the Company, on receipt of proper documentation, registers transfers of its securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of transfers; or issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of fifteen days from the date of such receipt of request for transfer.

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Stakeholders Relationship/ Grievance Committee. The Committee meets at regular intervals for approving share transfers, etc. A summary of the transfer, transmissions, dematerialization, dematerialization, etc. is placed before the Committee at every meeting. There are no legal cases relating to transfer of shares. The Company obtains half-yearly certificate from a Company Secretary in Practice under Regulation 40(9) on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchange.

As notified by SEBI, effective from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialized form with a depository.

Corporate Identity Number (CIN): L65910TN1988PLC016616

Stock Market Data:

| Month | Bombay Stock Exchange Limited (BSE) | |
|-----------------|-------------------------------------|-------|
| | High | Low |
| April, 2018 | 62.30 | 53.10 |
| May, 2018 | 57.85 | 46.00 |
| June, 2018 | 47.00 | 34.35 |
| July, 2018 | 54.40 | 36.00 |
| August, 2018 | 52.90 | 40.00 |
| September, 2018 | 43.55 | 33.95 |
| October, 2018 | 35.75 | 26.10 |
| November, 2018 | 34.10 | 26.85 |
| December, 2018 | 29.45 | 21.05 |
| January, 2019 | 27.50 | 21.55 |
| February, 2019 | 25.50 | 22.00 |
| March, 2019 | 24.50 | 21.00 |

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019:

(a) According to category of holding:

| Category | No. of Shareholders | % of Shareholders | No. of shares | % of shares |
|------------------|---------------------|-------------------|------------------|---------------|
| Promoters/PAC | 01 | 0.02 | 46558249 | 38.06 |
| Clearing Member | 13 | 0.29 | 847182 | 0.69 |
| Bodies Corporate | 120 | 2.64 | 20552000 | 16.80 |
| NRI | 26 | 0.57 | 1412963 | 1.15 |
| Resident | 4378 | 96.48 | 52972456 | 43.30 |
| Total | 4538 | 100.00 | 122342850 | 100.00 |

(b) According to number of equity shares held:

| No. of Equity Shares Held | Share Holders | | Share Holdings | |
|---------------------------|---------------|---------------|------------------|---------------|
| | Number | % to total | Shares | % to total |
| 1 to 100 | 1028 | 22.65 | 56899 | 0.05 |
| 101 to 500 | 1722 | 37.95 | 486392 | 0.40 |
| 501 to 1000 | 600 | 13.22 | 489248 | 0.40 |
| 1001 to 2000 | 415 | 9.14 | 650924 | 0.53 |
| 2001 to 3000 | 150 | 3.31 | 393450 | 0.32 |
| 3001 to 4000 | 71 | 1.56 | 258266 | 0.21 |
| 4001 to 5000 | 96 | 2.12 | 456442 | 0.37 |
| 5001 to 10000 | 164 | 3.61 | 1288916 | 1.05 |
| 10001 & Above | 292 | 6.44 | 118262313 | 96.67 |
| Total | 4538 | 100.00 | 122342850 | 100.00 |

Note: 1. Above table is as per the records maintained by the RTA as on 31st March 2019.

For Uniply Decor Limited

Place: Chennai
Date: 14.08.2019

Keshav Narayan Kantamneni
Chairman

DECLARATION ON CODE OF CONDUCT AS ENVISAGED UNDER SEBI (LODR), 2015

To
The Members
Uniply Decor Limited

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and senior management personnel of the Company. It is further confirmed that all the Directors and senior management personnel of the Company have affirmed Compliance with the code of Conduct of the Company for the financial year ended 31st March, 2019 as envisaged under SEBI (LODR), 2015.

For Uniply Decor Limited

Place: Chennai
Date: 14.08.2019

Keshav Narayan Kantamneni
Chairman