

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREENPANEL INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **GREENPANEL INDUSTRIES LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditor on separate financial statements of the subsidiary referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with relevant rules made thereunder, as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, the, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)* together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their report referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with consolidated the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone/ consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements and other financial information, in respect of Greenpanel Singapore Pte. Limited subsidiary of the Company whose financial statements include total assets of INR 3,174.54 Lakhs as at March 31, 2019, total revenue of INR 7040.65 Lakhs and net cash inflows amounting to INR 29.00 lakhs for the year ended on that date. These financial statements and other information have been audited by other auditor, whose financial statements, other financial information and auditor's report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of the subsidiary and our report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiary company referred to in the Other Matters paragraph above we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c) The consolidated balance sheet, the consolidated statement of profit and loss including (including statement of other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules made thereunder, as amended and other accounting principles generally accepted in India.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditor of its subsidiary company none of the directors of the Group incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, refer to our separate report in "Annexure A" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the considerations of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statement disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group -Refer Note 37 (a) to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts during the year ended March 31, 2019.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm's Registration No. 000756N

Sunil Wahal
Partner
Membership No. 87294

Place: New Delhi
Date: July 19, 2019

Annexure A to the Independent Auditor's Report to the members of GREENPANEL INDUSTRIES LIMITED dated July 19, 2019 on its Consolidated Financial Statements.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial controls over financial reporting is not applicable in respect of one audited subsidiary incorporated outside India

In conjunction with our audit of the consolidated financial statements of **GREENPANEL INDUSTRIES LIMITED** as of and for the year ended March 31, 2019, we have audited the Internal Financial Controls over Financial Reporting of **GREENPANEL INDUSTRIES LIMITED** (hereinafter referred to as the "Holding Company" or the "Company").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Company.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, does not consider the subsidiary of the Company as it is not incorporated in India.

Our audit report is not qualified in respect of above matter.

For S. S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: - 087294

Date: July 19, 2019
Place: New Delhi

Greenpanel Industries Limited
Consolidated Balance Sheet as at 31 March 2019
₹ in Lakhs

	Note	31 March 2019	31 March 2018
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,13,677.50	-
(b) Capital work-in-progress	5	379.33	-
(c) Other intangible assets	6	72.38	-
(d) Financial assets			
(i) Loans	8	1,233.69	-
(e) Other non-current assets	14	1,653.47	-
Total non-current assets		1,17,016.37	-
(2) Current assets			
(a) Inventories	10	13,446.36	-
(b) Financial assets			
(i) Trade receivables	11	4,561.86	-
(ii) Cash and cash equivalents	12	1,956.59	5.07
(iii) Other bank balances	13	28.54	-
(iv) Loans	8	32.32	-
(v) Derivatives	24	10.39	-
(vi) Other financial assets	15	2,918.69	-
(c) Other current assets	16	5,824.21	-
Total current assets		28,778.96	5.07
Total assets		1,45,795.33	5.07
Equity and liabilities			
Equity			
(a) Equity share capital	17	-	10.00
(b) Equity share capital suspense	17A	1,226.27	-
(c) Other equity	18	63,323.53	(5.19)
Total equity		64,549.80	4.81
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	45,966.53	-
(ii) Other financial liabilities	20	1,253.00	-
(b) Provisions	21	790.82	-
(c) Deferred tax liabilities (net)	35	1,205.30	-
(d) Other non-current liabilities	22	4,529.95	-
Total non-current liabilities		53,745.60	-
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	4,541.70	-
(ii) Trade payables	23		
total outstanding dues of micro enterprises and small enterprises		0.81	-
total outstanding dues of creditors other than micro enterprises and small enterprises		8,156.08	0.25
(iii) Other financial liabilities	20	10,973.37	-
(b) Other current liabilities	25	3,354.35	0.01
(c) Provisions	21	383.03	-
(d) Current tax liabilities (net)	9	90.59	-
Total current liabilities		27,499.93	0.26
Total liabilities		81,245.53	0.26
Total equity and liabilities		1,45,795.33	5.07
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272

Sunil Wahal
Partner
Membership No: 087294

Shiv Prakash Mittal
Executive Chairman
(DIN : 00237242)

Shobhan Mittal
Managing Director & CEO
(DIN : 00347517)

V. Venkatramani
Chief Financial Officer

Banibrata Desarkar
Company Secretary & VP-Legal

Place : Gurgaon
Dated : 19 July 2019

Place : Gurgaon
Dated : 19 July 2019

Greenpanel Industries Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019
₹ in Lakhs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	26	59,911.39	-
II. Other income	27	1,269.50	-
III Total income (I+II)		61,180.89	-
IV. Expenses			
Cost of materials consumed	28	29,006.74	-
Purchase of stock in trade	29	876.24	-
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(4,210.18)	-
Employees benefits expense	31	8,075.65	-
Finance costs	32	2,463.24	-
Depreciation and amortisation expense	33	5,303.34	-
Other expenses	34	18,427.41	5.19
Total expenses (IV)		59,942.44	5.19
V. Profit before tax (III-IV)		1,238.45	(5.19)
Current tax		(499.41)	-
Deferred tax		2,718.40	-
VI. Tax expense	35	2,218.99	-
VII. Profit for the year (V-VI)		3,457.44	(5.19)
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability/(asset)		34.83	-
Income tax relating to items that will not be reclassified to profit or loss		(12.17)	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		22.66	-
Items that will be reclassified subsequently to profit or loss:			
Exchange differences in translating financial statements of foreign operations		40.06	-
Net other comprehensive income to be reclassified subsequently to profit or loss		40.06	-
Other comprehensive income for the year (net of tax)		62.72	-
IX. Total comprehensive income for the year (VII+VIII)		3,520.16	(5.19)
X. Earnings per equity share	36		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic (₹)		2.82	(0.52)
- Diluted (₹)		2.82	(0.52)
Significant accounting policies	3		
The accompanying notes form an integral part of the consolidated financial statements			

As per our report of even date attached
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Greenpanel Industries Limited
Consolidated Statement of changes in equity for the year ended 31 March 2019
₹ in Lakhs

a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2017		-
Issue of equity share capital during the year	17	10.00
Balance as at 31 March 2018		10.00
Cancelled pursuant to scheme of arrangement (See Note 48)	17	(10.00)
Share Suspense account - Allotment of equity shares pursuant to scheme of arrangement (See Note 48)	17A	1,226.27
Balance as at 31 March 2019		1,226.27

b) Other equity

Particulars	Note	Reserves and surplus		Items of OCI		Total
		Capital reserve	Retained earnings	Remeasurements of defined benefit liability	Exchange differences on translation	
Balance as at 1 April 2017		-	-	-	-	-
Total comprehensive income for the year ended 31 March 2018						
Profit or loss		-	(5.19)	-	-	(5.19)
Total comprehensive income		-	(5.19)	-	-	(5.19)
Balance as at 31 March 2018		-	(5.19)	-	-	(5.19)
Balance as at 1 April 2018		-	(5.19)	-	-	(5.19)
Amount adjusted pursuant to Scheme of Arrangement (See Note 48)		59,808.56	-	-	-	59,808.56
Total comprehensive income for the year ended 31 March 2019						
Profit or loss		-	3,457.44	-	-	3,457.44
Other comprehensive income (net of tax)		-	-	22.66	40.06	62.72
Total comprehensive income		-	3,457.44	22.66	40.06	3,520.16
Balance as at 31 March 2019		59,808.56	3,452.25	22.66	40.06	63,323.53

Significant accounting policies

3

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
For **S.S. Kothari Mehta & Co.**
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Greenpanel Industries Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2019
₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flows from operating activities		
Profit before Tax	1,238.45	(5.19)
<u>Adjustments for:</u>		
Depreciation and amortisation expense	5,303.34	-
Finance costs	2,463.24	-
Provision for doubtful debts	84.78	-
Loss on sale/discard of property, plant and equipment	8.78	-
Interest income	(69.03)	-
Unrealised foreign exchange fluctuations (net)	(793.02)	-
Government grants - EPCG scheme (refer note 22)	(545.00)	-
	6,453.09	-
Operating cash flows before working capital changes	7,691.54	(5.19)
<u>Working capital adjustments:</u>		
(Increase)/decrease in trade and other receivables	(1,894.24)	-
(Increase)/decrease in inventories	(3,147.88)	-
Increase/(decrease) in trade and other payables	(546.81)	0.26
	(5,588.93)	0.26
Cash generated from operating activities	2,102.61	(4.93)
Income tax paid (net)	(408.82)	-
Net cash from operating activities	1,693.79	(4.93)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(10,541.02)	-
Proceeds from sale of property, plant and equipment	7.40	-
Interest received	69.03	-
Net cash used in investing activities	(10,464.59)	-
C. Cash flows from financing activities		
Proceeds from issue of share capital	-	10.00
Proceeds from long term borrowings	13,275.59	-
Proceeds from short term borrowings (net)	1,429.19	-
Repayment of long term borrowings	(1,835.66)	-
Interest paid	(2,650.24)	-
Processing fees paid for long term borrowings	(12.65)	-
Net cash flow from financing activities	10,206.23	10.00
Net (decrease)/increase in cash and cash equivalents	1,435.43	5.07
Cash and cash equivalents at 1 April 2018 (refer note 12)	5.07	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	516.09	-
Cash and cash equivalents at 31 March 2019 (refer note 12)	1,956.59	5.07

Notes:

- (i) Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- (ii) Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
- (iii) Change in liabilities arising from financing activities:

Particulars	As on 31 March 2018	Adjusted pursuant to Scheme of Arrangement (See Note 48)		As on 31 March 2019
		Cash flows	Fair value changes	
Non-current Borrowings including current maturities (Note 19)	-	43,039.71	11,439.93	54,109.68
Current Borrowings (Note 19)	-	3,112.51	1,429.19	4,541.70

As per our report of even date attached
For **S.S. Kothari Mehta & Co.**
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Place : Gurgaon
Dated : 19 July 2019

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Greenpanel Industries Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

1. Reporting entity

Greenpanel Industries Limited ('the Holding Company' or the 'Company') is a public company domiciled in India having its registered office situated at Makum Road, P.O. Tinsukia, Assam-786125, India. The Holding Company has been incorporated under the provisions of the Indian Companies Act. The Holding Company is primarily involved in manufacturing of plywood, medium density fibre boards (MDF) and allied products.

The Holding Company has an overseas wholly owned subsidiary company Greenpanel Singapore Pte. Limited (formerly known as Greenply Trading Pte. Limited), incorporated in Singapore, is engaged into trading of Medium Density Fibreboards and allied products, collectively referred to as "the Group".

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The consolidated financial statements are authorised for issue by the Board of Directors of the Holding Company at their meeting held on 19 July 2019.

The details of the Company's accounting policies are included in note 3

b. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for the following items:

Items	Measurement
Derivative financial instruments	Fair value
Certain financial assets and financial liabilities	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

d. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in note 38 - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included in the following notes:

- Note 4 – useful life and residual value of property, plant and equipment;
- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 35 – recognition of deferred tax assets;
- Note 37 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 42 – impairment of financial assets: key assumptions used in estimating recoverable cash flows

e. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Holding Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 41.

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019

f. Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared on the following basis in accordance with Ind AS on “Consolidated Financial Statements”(Ind AS - 110), specified under Section 133 of the Companies Act, 2013.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of Holding	
		Current year	Previous year
Greenpanel Singapore Pte. Limited	Singapore	100%	Nil

(ii) Loss of control

When the Group losses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit or loss.

(iii) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e 31 March 2019.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with subsidiaries are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies

a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise, except exchange differences on long term foreign currency monetary items accounted for in accordance with exemption availed by the Company under Ind AS 101.

The Group has exercised the option available to it under Para 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". On transition to Ind AS, aforesaid option is not available for loans availed after 1st April 2016.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) like fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at an average rate.

The Group has elected not to apply Ind AS 103-Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2015. Consequently, the Group has kept the same classification for the past business combinations as in its previous GAAP financial statements.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in Other Comprehensive Income (OCI) is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to Non-controlling Interest (NCI)

c. Financial instruments

(i) Recognition and initial measurement

Trade Receivables are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost; or
- Fair value through Profit or Loss (FVTPL); or
- Fair value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) method of amortisation is included in finance income in the Consolidated Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

Financial assets at FVTPL

All financial assets which are not classified and measured at amortised cost or Fair value through other comprehensive income (FVOCI) as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Consolidated Statement of Profit and Loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Consolidated Statement of Profit and Loss.

Investments in subsidiaries are carried at cost in standalone financial statements

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss. Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Financial guarantee liabilities

Financial guarantees issued by the Group are those contracts that require payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

d. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss. Property, plant and equipment under construction are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and fair value less cost to sell and shown under 'Current assets'.

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3(b) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Consolidated Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method over the useful lives of assets, in the manner specified in Part C of Schedule II of the Act.

Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Freehold land is not depreciated.

Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except leasehold land acquired on perpetual lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

The estimated useful lives of items of property, plant and equipment are as follows:

<u>Asset</u>	<u>Useful life as per Schedule II</u>
Buildings	3 to 60 years
Plant and equipments	15 to 25 years
Furniture and fixtures	10 years
Vehicles	8 to 10 years
Office equipments	3 to 10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (discard/disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (discarded/disposed off).

e. Intangible assets

(i) Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	5 years
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Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is ascertained on the 'weighted average' basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Excise duty was included in the valuation of closing inventory of finished goods, till the implementation of Goods and Services Tax.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

g. Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime of the ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of the ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

h. Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

i. Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Employees' Provident Fund established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions under employee provident fund to Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed quarterly by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Consolidated Statement of Profit and Loss.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Such benefits are in form of leave encashment that accrue to employees in return of their service. The calculation of other long term employee benefits is performed quarterly by an independent qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

j. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

k. Revenue

(i) Sale of goods

Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of Ind AS 115 was insignificant.

The Group manufactures and sells in plywood and allied products, medium density fibreboard and allied products. Sales are recognised when control of the products has transferred, being when the products are delivered to the dealer, the dealer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the dealer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risk of obsolescence and loss have been transferred to the dealer, and either the dealer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales over a 12 months period, cash discount on payment within specified period, promotional gift on achieving specific targets, quality claims if claims made in the specified period and other promotional expenses such as tours and travel packages to dealer, etc. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, cash discounts, quality claims and promotional expenses. Accumulated experience is used to estimate and provide for the discounts/claims/provisions, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (netted off with trade receivables) is recognised for expected volume discount payables, expected cash discount payables and expected quality claims to dealers in relation to sale made until the end of reporting period. Provision (included in other current liabilities) is recognised for expected sales promotional expenses against the sales made until the end of reporting period. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with market practice.

(ii) Rental income

Rental income is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

(iii) Insurance claim

Insurance claim due to uncertainty in realisation are accounted for on acceptance basis.

l. Government Grants

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Consolidated Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income".

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within other income.

m. Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

n. Recognition of dividend income, interest income or expense

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

o. Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

p. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

r. Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Group.

s. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

t. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

u. Earnings per share

Basic earnings per share is 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.

v. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The CODM consists of the Executive Chairman, Managing Director & CEO and Chief Financial Officer.

The Group has currently two reportable segments namely:

- i) Plywood and allied products, and
- ii) Medium density fibreboards and allied products

w. Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL. Investments in quoted equity instruments are measured at FVTPL.

(ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iii) Derivative financial liabilities

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

3A. Standards issued but not yet effective

Ind AS 116, Leases

The Holding Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Holding Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

The Holding Company will recognise new assets and liabilities for its operating leases of land, vehicles and office premises facilities (see Note 38). The nature of expenses related to those leases will now change because the Holding Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Holding Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Holding Company will recognise a right-of-use asset and a corresponding lease liability with the cumulative effect of applying the standard by adjusting retained earnings net of taxes. There will be consequent reclassification in the cash flow categories in the statement of cash flows.

Transition

The Holding Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Holding Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

4. Property, plant and equipment

See accounting policy in note 3(d) and (g)

(a) Reconciliation of carrying amount

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
amount)							
Balance at 1 April 2017	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals/ discard	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Balance at 31 March 2018	-	-	-	-	-	-	-
Balance at 1 April 2018	-	-	-	-	-	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	4,792.75	6,078.97	41,536.25	1,358.31	4,307.00	944.19	59,017.47
Additions	741.14	6,213.75	72,422.50	1,156.74	322.54	330.88	81,187.55
Disposals/ discard	-	-	(32.30)	-	(14.40)	(17.95)	(64.65)
Exchange differences on translation of foreign operations	-	-	-	12.30	144.83	2.52	159.65
Balance at 31 March 2019	5,533.89	12,292.72	1,13,926.45	2,527.35	4,759.97	1,259.64	1,40,300.02
Accumulated depreciation							
Balance at 1 April 2017	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-
Adjustments/ disposals	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-
Balance at 31 March 2018	-	-	-	-	-	-	-
Balance at 1 April 2018	-	-	-	-	-	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	-	1,868.65	17,465.48	529.78	1,008.59	517.90	21,390.40
Depreciation for the year	-	390.82	4,026.25	203.51	476.41	161.60	5,258.59
Adjustments/ disposals	-	(0.00)	(21.79)	-	(12.32)	(14.36)	(48.47)
Exchange differences on translation of foreign operations	-	-	-	2.41	19.17	0.42	22.00
Balance at 31 March 2019	-	2,259.47	21,469.94	735.70	1,491.85	665.56	26,622.52
Carrying amounts (net)							
At 31 March 2018	-	-	-	-	-	-	-
At 31 March 2019	5,533.89	10,033.25	92,456.51	1,791.65	3,268.12	594.08	1,13,677.50

(b) Security

As at 31 March 2019, properties with a carrying amount of ₹ 1,11,458.48 lakhs (31 March 2018: ₹ Nil) are subject to first charge to secured borrowings (see Note 19).

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

5. Capital work-in-progress

See accounting policy in note 3(d) and (g)

	<u>31 March 2019</u>	<u>31 March 2018</u>
At the beginning of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	73,348.65	-
Additions during the year	2,406.86	-
Capitalised during the year	75,376.18	-
At the end of the year	<u>379.33</u>	<u>-</u>

Capital work-in-progress includes:

Expenditure incurred during construction period on new manufacturing facility of the group:

	<u>31 March 2019</u>	<u>31 March 2018</u>
At the beginning of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	7,056.14	-
Additions during the year:		
Finance costs	517.26	-
Employees benefits expense	281.78	-
Legal and professional fees	236.22	-
Power & fuel expense	821.30	-
Miscellaneous expenses	187.91	-
	<u>2,044.47</u>	<u>-</u>
Less: Capitalised during the year	9,100.61	-
At the end of the year	<u>-</u>	<u>-</u>

Notes:

(a) At 31 March 2019, general borrowing costs capitalised during the year amounted to ₹ 114.03 lakhs (31 March 2018: ₹ Nil), with a capitalisation rate of 9.00%

(b) As at 31 March 2019, properties under capital work-in-progress with a carrying amount of ₹ 379.33 lakhs (31 March 2018: ₹ Nil) are subject to first charge to secured borrowings (see Note 19).

6. Other intangible assets

See accounting policy in note 3(e) and (g)

(a) Reconciliation of carrying amount

	Computer software	Technical knowhow	Total
Cost (Gross carrying amount)			
Balance at 1 April 2017	-	-	-
Additions	-	-	-
Disposals/write-off	-	-	-
Balance at 31 March 2018	-	-	-
Balance at 1 April 2018	-	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	222.01	-	222.01
Additions	-	-	-
Disposals/write-off	-	-	-
Balance at 31 March 2019	222.01	-	222.01
Accumulated amortisation			
Balance at 1 April 2017	-	-	-
Amortisation for the year	-	-	-
Adjustments/ disposals	-	-	-
Balance at 31 March 2018	-	-	-
Balance at 1 April 2018	-	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	104.88	-	104.88
Amortisation for the year	44.75	-	44.75
Adjustments/ disposals	-	-	-
Balance at 31 March 2019	149.63	-	149.63
Carrying amounts (net)			
At 31 March 2018	-	-	-
At 31 March 2019	72.38	-	72.38

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

8. Loans

(Unsecured, considered good)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-current		
Security deposits	1,201.69	-
Loan to employees	<u>32.00</u>	<u>-</u>
	<u>1,233.69</u>	<u>-</u>
Current		
Loan to employees	<u>32.32</u>	<u>-</u>
	<u>1,266.01</u>	<u>-</u>

9. Current tax liabilities

See accounting policy in note 3(o)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Income tax liabilities	<u>90.59</u>	<u>-</u>

10. Inventories

(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(f)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Raw materials	3,695.02	-
[including in transit ₹ 376.82 lakhs (31 March 2018 ₹ Nil)]		
Work-in-progress	2,423.13	-
Finished goods	5,418.79	-
[including in transit ₹ 1,336.32 lakhs (31 March 2018 ₹ Nil)]		
Stores and spares	<u>1,909.42</u>	<u>-</u>
	<u>13,446.36</u>	<u>-</u>

Total carrying amount of inventories is pledged as securities against borrowings, refer note 19.

The write-down of inventories to net realisable value during the year amounting to ₹ Nil (31 March 2018: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of stock in trade.

11. Trade receivables

	<u>31 March 2019</u>	<u>31 March 2018</u>
Current		
Unsecured		
- Considered good	4,561.86	-
- Credit Impaired	<u>326.38</u>	<u>-</u>
	<u>4,888.24</u>	<u>-</u>
Less: Loss for allowances		
- Credit Impaired	<u>326.38</u>	<u>-</u>
Net trade receivables	<u>4,561.86</u>	<u>-</u>
Of the above		
Trade receivables from related parties	<u>1,211.27</u>	<u>-</u>

Notes:

(a) No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 42. Provision as disclosed above is on case to case basis as identified by the management.

(c) For terms and conditions of trade receivables owing from related parties, see note 39.

(d) For receivables secured against borrowings, see note 19.

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

12. Cash and cash equivalents

See accounting policy in note 3(s)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Cash on hand	19.97	0.23
Cheques in hand	-	-
Balances with banks		
- On current accounts	936.62	4.84
- On deposit accounts (with original maturities up to 3 months)	1,000.00	-
	<u>1,956.59</u>	<u>5.07</u>

13. Other bank balances

Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*

*Pledged/lodged with various government authorities as security

	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>28.54</u>	<u>-</u>

14. Other non-current assets

(Unsecured, considered good)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Capital advances	207.98	-
Others		
Unmatured finance charges	136.24	-
Leasehold land prepayments	1,225.51	-
Deposits against demand under appeal and/or under dispute	14.70	-
Amount due from sales tax authorities	69.04	-
	<u>1,653.47</u>	<u>-</u>

15. Other financial assets

Current

	<u>31 March 2019</u>	<u>31 March 2018</u>
Government grants receivable	2,892.73	-
Export incentive receivable	18.95	-
Insurance claim receivable	3.79	-
Interest Receivable	3.22	-
	<u>2,918.69</u>	<u>-</u>

16. Other current assets

(Unsecured, considered good)

To parties other than related parties

	<u>31 March 2019</u>	<u>31 March 2018</u>
Advances for supplies	288.19	-
Advances to employees	15.65	-
Others		
Prepaid expenses	672.61	-
Unmatured finance charges	77.26	-
Leasehold land prepayments	16.31	-
Balance with goods and service tax authorities	4,754.19	-
Income tax refundable	-	-
	<u>5,824.21</u>	<u>-</u>

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

17. Equity share capital

See accounting policy in note 3(q)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Authorised		
150,000,000 (31 March 2018: 10,000,000) equity shares of ₹ 1 each*	<u>1,500.00</u>	<u>100.00</u>

* Increase in authorised capital is pursuant to scheme of arrangement

Issued, subscribed and fully paid-up

Nil (31 March 2018: 1,000,000) equity shares of ₹ 1 each	<u>-</u>	<u>10.00</u>
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(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	<u>31 March 2019</u>		<u>31 March 2018</u>	
	Number	Amount	Number	Amount
At the commencement of the year	10,00,000	10.00	-	-
Add: Issued during the year	-	-	10,00,000	10.00
Less: Cancelled pursuant to scheme of arrangement (See Note 48)	10,00,000	10.00	-	-
At the end of the year	<u>-</u>	<u>-</u>	<u>10,00,000</u>	<u>10.00</u>

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Holding Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	<u>31 March 2019</u>		<u>31 March 2018</u>	
	Number	%	Number	%
Equity shares of ₹ 1 each				
Greenply Industries Limited	-	-	10,00,000	100.00%

(d) The Holding Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/ disinvestment.

(e) The Holding Company for the period of five years immediately preceding the reporting date has not:

- (i) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
- (ii) Allotted fully paid up shares by way of bonus shares.
- (iii) Bought back any class of shares.

17A. Equity share capital suspense

Equity share capital suspense	<u>1,226.27</u>	<u>-</u>
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Note: 12,26,27,395 (31 March 2018: Nil) equity shares of Re. 1 each, fully paid, to be issued pursuant to scheme of arrangement of Greenply Industries Limited with the Holding Company. (See Note 48)

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

18. Other equity	<u>31 March 2019</u>	<u>31 March 2018</u>
Capital reserve		
At the commencement of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	<u>59,808.56</u>	<u>-</u>
	<u>59,808.56</u>	<u>-</u>
Retained earnings		
At the commencement of the year	(5.19)	-
Add: Profit for the year	<u>3,457.44</u>	<u>(5.19)</u>
	<u>3,452.25</u>	<u>(5.19)</u>
Other comprehensive income (OCI)		
At the commencement of the year	-	-
Exchange differences in translating financial statements of foreign operations	40.06	-
Remeasurements of the net defined benefit plans	<u>22.66</u>	<u>-</u>
	<u>62.72</u>	<u>-</u>
	<u>63,323.53</u>	<u>(5.19)</u>

(a) Description, nature and purpose of reserve:

(i) Capital reserve: The capital reserve is created on account of the net assets transferred pursuant to the scheme of arrangement

(ii) Retained earnings: It comprises of accumulated profit/ (loss) of the Group.

(iii) Other comprehensive income (OCI): It comprises of remeasurements of the net defined benefit plans on actuarial valuation of gratuity and exchange differences in translating financial statements of foreign operations.

(b) Disaggregation of changes in items of OCI

Retained earnings	<u>31 March 2019</u>	<u>31 March 2018</u>
Exchange differences in translating financial statements of foreign operations	40.06	-
Remeasurements of defined benefit liability/ (asset)	<u>22.66</u>	<u>-</u>
	<u>62.72</u>	<u>-</u>

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

19. Borrowings

See accounting policy in note 3(b), (c) and (p)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-current borrowings		
Secured		
Term loans		
From banks		
Foreign currency loans	38,646.86	-
Rupee loans	13,479.19	-
	<u>52,126.05</u>	<u>-</u>
Less: Current maturities of long term borrowings (refer note 20)	7,663.70	-
	<u>44,462.35</u>	<u>-</u>
Loan against vehicles	1,983.63	-
Less: Current maturities of loan against vehicles (refer note 20)	479.45	-
	<u>1,504.18</u>	<u>-</u>
	<u>45,966.53</u>	<u>-</u>
Current borrowings		
Secured		
From banks		
Foreign currency loan - buyers credit	256.47	-
Foreign currency loan - Packing Credit	291.43	-
Rupee loans - repayable on demand	1,688.81	-
	<u>2,236.71</u>	<u>-</u>
Unsecured		
From banks		
Channel finance assurance facility	210.65	-
Foreign currency loan - bill discounting	159.68	-
Rupee loans - bill discounting	1,934.66	-
	<u>2,304.99</u>	<u>-</u>
	<u>4,541.70</u>	<u>-</u>

Information about the Group's exposure to credit and currency risks, and loss allowances related to borrowings are disclosed in note 42.

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

(A) Terms of repayment

Name of the lender	Interest rate	Repayment schedule	Year of maturity	31 March 2019	31 March 2018
(i) Foreign currency term loans					
Landesbank Baden-Wurttemberg [EUR 420.71 lakhs (31 March 2018: Nil)]	6 month Euribor +0.50%	Repayable at half yearly rest: 20 of EUR 21.04 lakhs	2028-29	32,611.19	-
Standard Chartered Bank [USD 110 lakhs (31 March 2018: Nil)]	3 month Libor +1.55%	Repayable at quarterly rest: 20 of USD 5.50 lakhs	2024-25	7,602.10	-
				40,213.29	-
Unamortised processing fees				(1,566.43)	-
				38,646.86	-
(ii) Rupee term loans					
HDFC Bank Limited	3 year MCLR	Repayable at quarterly rest: 20 of ₹ 400.00 lakhs and one time payment of ₹ 2000.00 lakhs	2024-25	10,000.00	-
Axis Bank Limited	3 year MCLR	Repayable at quarterly rest: 16 of ₹ 156.25 lakhs	2023-24	2,500.00	-
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 4 of ₹ 126.00 lakhs	2019-20	504.00	-
State Bank of India	1 year MCLR +0.75%	Repayable at quarterly rest: 4 of ₹ 126.00 lakhs	2019-20	500.00	-
				13,504.00	-
Unamortised processing fees				(24.81)	-
				13,479.19	-
Total				52,126.05	-

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

(B) Details of security

(a) Term loan from Landesbank Baden-Wurttemberg (LBBW) of ₹ 32,611.19 lakhs (31 March 2018: ₹ Nil) is secured by exclusive charge on Main Press Line of MDF plant at Chittoor, Andhra Pradesh along with any other movable fixed assets of the Holding Company, financed by Landesbank Baden-Wurttemberg. Vide letter dated June 14, 2019, the loan is to be further secured by:

- i) Exclusive charge over main press line of MDF plant at Pantnagar (Uttarakhand)
- ii) Corporate guarantee from Greenply Industries Limited in favor of LBBW of EURO 12.5 million;
- iii) Debt Service Reserve Account in EURO/INR for one repayment instalment plus interest, pledged to LBBW

(b) Other term loans of ₹ 21,106.10 lakhs (31 March 2018: ₹ Nil) are secured by:

- (i) First pari passu charge on immovable fixed assets of the Holding Company at Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).
- (ii) First pari passu charge on all movable fixed assets of the Holding Company except the main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttemberg.
- (iii) Second pari passu charge on all current assets of the Holding Company.
- (iv) Due to stipulation from LBBW the security of Main press line of MDF plant at Pantnagar (Uttarakhand) will be excluded subsequently.

(c) Secured Loan against vehicles and equipments are in respect of finance of vehicles, secured by hypothecation of the respective vehicles.

(d) Working capital loans of ₹ 1,688.81 lakhs (31 March 2018: ₹ Nil) are secured by:

- (i) First pari passu charge on all current assets of the Holding Company.
- (ii) Second pari passu charge on immovable fixed assets of the Holding Company at Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).
- (iii) Second pari passu charge on all movable fixed assets of the Holding Company except the main press line of MDF plant at Chittoor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttemberg.
- (iv) Due to stipulation from LBBW the security of Main press line of MDF plant at Pantnagar (Uttarakhand) will be excluded subsequently.

(e) Foreign currency loan - buyers credit of ₹ 256.47 lakhs (31 March 2018: ₹ Nil) is secured by letter of credit/letter of undertaking issued by banks.

Note: Refer Note 48 for details on scheme of arrangement

20. Other financial liabilities

	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-current		
Security deposits from customers	<u>1,253.00</u>	-
Current		
Current maturities of long term borrowings (refer note 19)	7,663.70	-
Current maturities of loan against vehicles and equipments (refer note 19)	479.45	-
Interest accrued but not due on borrowings	106.27	-
Liability for capital goods	2,408.23	-
Employee benefits payable	<u>315.72</u>	-
	<u>10,973.37</u>	-

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2019.

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 42.

21. Provisions

See accounting policy in note 3(i) and (j)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Non-current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	459.26	-
Liability for compensated absences	<u>331.56</u>	-
	<u>790.82</u>	-
Current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	225.62	-
Liability for compensated absences	<u>157.41</u>	-
	<u>383.03</u>	-

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

22. Other non-current liabilities

	<u>31 March 2019</u>	<u>31 March 2018</u>
Deferred income on Government grants	<u>4,529.95</u>	<u>-</u>

Government grants have been received for the import of certain items of property, plant and equipment under export promotion capital goods (EPCG) scheme of Government of India. The Holding Company has certain export obligations against such benefits availed which the Holding Company will fulfill within the required time period under the scheme. For contingencies attached to these grants, refer note 37.

23. Trade payables

	<u>31 March 2019</u>	<u>31 March 2018</u>
Dues to micro and small enterprises (Refer note 46)	<u>0.81</u>	<u>-</u>
Dues to other than micro and small enterprises	<u>8,156.08</u>	<u>0.25</u>
	<u>8,156.89</u>	<u>0.25</u>

Information about the Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 42.

24. Derivatives

See accounting policy in note 3(c)(v)

	<u>31 March 2019</u>	<u>31 March 2018</u>
Current		
Foreign exchange forward contracts	<u>12.74</u>	<u>-</u>
Foreign exchange interest rate swaps	<u>(23.13)</u>	<u>-</u>
(Asset)/Liability	<u>(10.39)</u>	<u>-</u>

Information about the Group's exposure to interest rate and currency risks related to derivatives is disclosed in note 42.

25. Other current liabilities

	<u>31 March 2019</u>	<u>31 March 2018</u>
Statutory dues	<u>652.92</u>	<u>0.01</u>
Deferred income on Government grants	<u>2,400.00</u>	<u>-</u>
Advance from customers	<u>301.43</u>	<u>-</u>
	<u>3,354.35</u>	<u>0.01</u>

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

26. Revenue from operations

See accounting policy in note 3(k) and (l)

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	58,262.47	-
Other operating revenue		
Government grants		
- Refund of goods and service tax and excise duty (refer note 47)	876.55	-
- Government grants - EPCG scheme (refer note 22)	545.00	-
Export incentives	84.02	-
Miscellaneous income	143.35	-
	<u>1,648.92</u>	<u>-</u>
	<u>59,911.39</u>	<u>-</u>
Reconciliation of revenue from sale of products with the contracted price		
Contracted price	62,466.51	-
Less : Trade discounts, volume rebates etc.	<u>(4,204.04)</u>	<u>-</u>
Sale of products	<u>58,262.47</u>	<u>-</u>

Disaggregated revenue information

The disaggregation of the Group's revenue from contracts with customers as under:

Segment	Year ended 31 March 2019		
	Plywood and allied products	Medium Density Fibre Board and allied products	Total
Type of Goods:			
Finished goods	14,116.15	44,146.32	58,262.47
Sale of products (including excise duty) (A)	<u>14,116.15</u>	<u>44,146.32</u>	<u>58,262.47</u>
Revenue by geography:			
- India	14,112.82	37,268.16	51,380.98
- Outside India	3.33	6,878.16	6,881.49
Total revenue from contracts with customers	<u>14,116.15</u>	<u>44,146.32</u>	<u>58,262.47</u>
Segment	Year ended 31 March 2018		
	Plywood and allied products	Medium Density Fibre Board and allied products	Total
Type of Goods:			
Finished goods	-	-	-
Sale of products (including excise duty) (A)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue by geography:			
- India	-	-	-
- Outside India	-	-	-
Total revenue from contracts with customers	<u>-</u>	<u>-</u>	<u>-</u>

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

The reconciliation of the revenue from contracts with customers and other operating revenue is given below :

Segment	Year ended 31 March 2019		
	Plywood and allied products	Medium Density Fibre Board and allied products	Total
Sale of goods (including excise duty):			
- External customers	14,116.15	44,146.32	58,262.47
- Inter-segment	-	-	-
Other Operating Revenue	34.12	1,614.80	1,648.92
	14,150.27	45,761.12	59,911.39
Inter-segment elimination	-	-	-
Less: Other Operating Revenue	(34.12)	(1,614.80)	(1,648.92)
Total revenue from contracts with customers	14,116.15	44,146.32	58,262.47

Segment	Year ended 31 March 2018		
	Plywood and allied products	Medium Density Fibre Board and allied products	Total
Sale of goods (including excise duty):			
- External customers	-	-	-
- Inter-segment	-	-	-
Other Operating Revenue	-	-	-
	-	-	-
Inter-segment elimination	-	-	-
Less: Other Operating Revenue	-	-	-
Total revenue from contracts with customers	-	-	-

- a) The Group presented disaggregated revenue based on the type of goods sold to customers and location of customers. The Group's revenue is recognised for goods transferred at a point in time. The Group believes that the above disaggregation the best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are effected by industry, market and other economic factors. Segment wise nature, amount, timing and uncertainty of revenues and cash flows are described below:

Nature of goods or services	The Group manufactures and sales, plywood and other plywood-related allied products such as veneer, compreg, doors, etc, Medium Density Fibre Board and allied products such as fibre board, plank, etc.
When revenue is recognised	For Domestic Customer : Revenue is typically recognised when the goods are delivered to the customer's warehouses. For Export Customer : Revenue is typically recognised when the goods are delivered to the port of shipment.
Significant payment terms	Payment is received as per the agreed payment terms with customer.
Obligations for returns and refunds, if any	Customers have the right to return the goods to the Group, if the customers are dissatisfied with the quality of product which is determined on a case to case basis by the Group.

- b) For contract balances i.e. trade receivables refer Note 11.
c) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

27. Other income

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on fixed deposits with banks and others	69.03	-
Unspent liabilities no longer required written back	165.99	-
Foreign exchange fluctuations	1,021.85	-
Miscellaneous income	12.63	-
	1,269.50	-

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

28. Cost of materials consumed

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of raw materials at the beginning of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	4,651.15	-
Add: Purchases	28,050.61	-
Less: Inventory of raw materials at the end of the year	<u>(3,695.02)</u>	<u>-</u>
	<u>29,006.74</u>	<u>-</u>

29. Purchase of stock in trade

	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of traded goods	876.24	-
	<u>876.24</u>	<u>-</u>

30. Changes in inventories of finished goods, work-in-progress and stock in trade

See accounting policy in note 3(f)

	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventories		
Work-in-progress	-	-
Finished goods	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)		
Work-in-progress	1,381.56	-
Finished goods	2,246.33	-
	<u>3,627.89</u>	<u>-</u>
Closing inventories		
Work-in-progress	2,423.13	-
Finished goods	5,418.79	-
	<u>7,841.92</u>	<u>-</u>
Effect of foreign exchange fluctuations	3.85	-
	<u>(4,210.18)</u>	<u>-</u>

31. Employees benefits expense

See accounting policy in note 3(i)

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages, bonus, etc.	7,208.25	-
Contribution to provident and other funds	452.01	-
Expenses related to post-employment defined benefit plan	151.33	-
Expenses related to compensated absences	160.96	-
Staff welfare expenses	103.10	-
	<u>8,075.65</u>	<u>-</u>

Salaries, wages, bonus, etc. includes ₹ 627.75 lakhs (31 March 2018 ₹ Nil) relating to outsource manpower cost.

Notes:

(a) Defined contribution plan: Employee benefits in the form of provident fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(b) Defined benefit plan: Retirement benefits in the form of gratuity is considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

Greenpanel Industries Limited

Notes to the consolidated financial statements for the year ended 31 March 2019

₹ in Lakhs

(c) Actuarial valuation of gratuity liability**Defined benefit cost**

Current service cost	106.24	-
Interest expense on defined benefit obligation	45.08	-
Defined benefit cost in Statement of Profit and Loss	151.32	-
Remeasurements from financial assumptions	8.10	-
Remeasurements from experience adjustments	(42.92)	-
Defined benefit cost in Other Comprehensive Income (OCI)	(34.82)	-
Total defined benefit cost in Statement of Profit and Loss and OCI	116.50	-

Movement in defined benefit obligation

Balance at the beginning of the year	602.65	-
Interest cost	106.24	-
Current service cost	45.08	-
Actuarial (gains)/ losses recognised in other comprehensive income	(34.82)	-
Benefits paid	(34.27)	-
Balance at the end of the year	684.88	-

Sensitivity analysis

Salary escalation - Increase by 1%	737.65	-
Salary escalation - Decrease by 1%	639.20	-
Withdrawal rates - Increase by 1%	689.00	-
Withdrawal rates - Decrease by 1%	679.88	-
Discount rates - Increase by 1%	639.32	-
Discount rates - Decrease by 1%	737.84	-

Actuarial assumptions

Mortality table	IALM 2006-2008	-
Discount rate (per annum)	7.70%	-
Rate of escalation in salary (per annum)	6.00%	-
Withdrawal rate	1% - 8%	-

Weighted average duration of defined benefit obligation (in years) 5.12

(d) Amount incurred as expense for defined contribution to Provident Fund is ₹ 339.33 lakhs (31 March 2018 ₹ Nil)

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

32. Finance costs

See accounting policy in note 3(p)

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	2,326.39	-
Exchange difference regarded as an adjustment to borrowing cost	381.44	-
Other borrowing cost	272.67	-
Less: Finance cost capitalised	(517.26)	-
	<u>2,463.24</u>	<u>-</u>

33. Depreciation and amortisation expense

See accounting policy in note 3(d)(iii) and (e)(iii)

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	5,258.59	-
Amortisation of intangible assets	44.75	-
	<u>5,303.34</u>	<u>-</u>

34. Other expenses

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	945.50	-
Power and fuel	6,747.53	-
Rent	717.18	-
Repairs to:		
- buildings	33.79	-
- plant and equipment	869.19	-
- others	487.57	-
Insurance	213.68	-
Rates and taxes	49.21	-
Travelling expenses	806.90	-
Freight and delivery expenses	3,450.26	-
Export expenses	901.07	-
Advertisement and sales promotion	1,107.49	-
Directors sitting fees	2.36	-
Payment to auditors [refer note 34 (i) below]	29.22	0.11
Expenditure on corporate social responsibility [refer note 34 (ii) below]	17.64	-
Loss on sale/discard of property, plant and equipment	8.78	-
Amortisation of leasehold land prepayments	16.31	-
Provision for doubtful debts	84.78	-
Miscellaneous expenses	1,938.95	5.08
	<u>18,427.41</u>	<u>5.19</u>

34 (i) Payment to auditors

As auditors:		
- Statutory audit	28.32	0.11
- Tax audit	-	-
- Limited review of quarterly results	-	-
In other capacity		
- Certification fees	0.90	-
- Other services	-	-
Reimbursement of expenses	-	-
	<u>29.22</u>	<u>0.11</u>

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

35. Income tax

See accounting policy in note 3(o)

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Amount recognised in Profit and Loss		
Current tax	499.41	-
Earlier years tax	-	-
Income tax	499.41	-
Deferred tax	(2,218.99)	-
Mat credit	(499.41)	-
Deferred tax	(2,718.40)	-
Tax expense in Statement of Profit and Loss	(2,218.99)	-
Deferred tax in other comprehensive income	12.17	-
Tax expense in Total Comprehensive Income	(2,206.82)	-
(b) Reconciliation of effective tax rate for the year		
Profit before Tax	1,238.45	(5.19)
Applicable Income Tax rate	34.944%	34.608%
Computed tax expense	432.76	(1.80)
Additional deduction as per income tax	(2,907.17)	-
Non-deductible expenses for tax purposes	6.20	-
Deferred tax asset not recognised on business losses of subsidiary	333.83	-
Other differences	(84.61)	1.80
Tax expense in Statement of Profit and Loss	(2,218.99)	-
(c) Recognised deferred tax assets and liabilities:		
Property, plant and equipment and intangible assets	14,733.94	-
Provisions for employee benefits	(468.35)	-
Provision for doubtful debts	(121.76)	-
Other temporary differences	(9.69)	-
Unabsorbed depreciation carried forward	(12,429.43)	-
Minimum Alternate Tax (MAT) credit	(499.41)	-
Deferred tax liabilities	1,205.30	-
(d) Reconciliation of Deferred Tax Liability:		
Temporary difference on account of:		
Property, plant and equipment and intangible assets	10,293.38	-
Provisions for employee benefits	(42.20)	-
Provision for doubtful debts	(31.12)	-
Other temporary differences	(9.62)	-
Unabsorbed depreciation carried forward	(12,429.43)	-
Minimum Alternate Tax (MAT) credit entitlement	(499.41)	-
Deferred tax in Statement of Profit and Loss	(2,718.40)	-
Temporary difference of liabilities in other comprehensive income	12.17	-
Deferred tax in Total Comprehensive Income	(2,706.23)	-
MAT credit utilisation in income tax for earlier years	-	-
Total Deferred tax	(2,706.23)	-

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

36. Earnings per share

Basic and diluted earnings per share

(i) Profit for the year, attributable to the equity shareholders	3,457.44	(5.19)
(ii) Weighted average number of equity shares		
- Number of equity shares at the beginning of the year	10,00,000	-
- Number of equity shares allotted on 10 January 2018	-	10,00,000
- Number of shares in Share capital suspense	12,26,27,395	-
- Cancelled pursuant to scheme of arrangement (See Note 48)	10,00,000	-
- Number of equity shares at the end of the year	12,26,27,395	10,00,000
Weighted average number of equity shares	12,26,27,395	10,00,000
Basic and diluted earnings per share (₹) [(i)/(ii)]	2.82	(0.52)

37. Contingent liabilities and commitments

(to the extent not provided for)

31 March 2019

31 March 2018

Contingent liabilities

(a) Claims against the Group not acknowledged as debts:

(i) Excise duty, sales tax and other indirect taxes in dispute	1,029.07	-
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b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant. Further, the pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

c) The audited GST return for the year ended 31 March 2018 is pending for the filing as competent authority has extended the date of filing until 31 August 2019. The Holding company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation, the impact will not be material.

Capital and other commitments

(i) Estimated amount of export obligations to be fulfilled in respect of goods imported under Export Promotion Capital Goods scheme (EPCG)	43,943.10	-
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Claim against the Group not acknowledged as debt:

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

38. Operating leases

See accounting policy in note 3(m)

The Group has taken certain commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Consolidated Statement of Profit and Loss with respect to operating leases ₹ 715.16 lakhs (31 March 2018: ₹ Nil) has been included as rent in note 34 'Other expenses'.

39. Related party disclosure

a) Other related parties with whom transactions have taken place during the year

Holding company:

- i) Greenply Industries Limited (upto 31.03.2018, pursuant to scheme of arrangement)

Key Management Personnel (KMP)

- i) Mr. Shiv Prakash Mittal, Director*
- ii) Mr. Shobhan Mittal, Director*
- iii) Mr. Mahesh Kumar Jiwarajka, Non-Executive Independent Director
- iv) Mr. Salil Kumar Bhandari, Non-Executive Independent Director
- v) Ms. Susmita Singha, Non-Executive Independent Director

* See Note 48.4 (f) , for details on KMP

Relatives of Key Management Personnel (KMP)

- i) Mrs. Chitwan Mittal (Wife of Mr. Shobhan Mittal)

b) Enterprises controlled by Key Management Personnel or their relatives

- i) Greenlam Industries Limited
- ii) Greenply Industries Limited

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

c) Related party transactions

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
Greenlam Industries Limited	Sale of products	546.14	-
	Purchase of products	137.36	-
Greenply Industries Limited	Sale of products	4,416.03	-
	Equity share capital received	-	10.00
Mr. Shiv Prakash Mittal	Remuneration	245.14	-
Mr. Shobhan Mittal	Remuneration	260.68	-
Mr. Mahesh Kumar Jiwrajka	Sitting Fees	1.00	-
Mr. Salil Kumar Bhandari	Sitting Fees	0.50	-
Ms. Susmita Singha	Sitting Fees	0.50	-
Mrs. Chitwan Mittal	Remuneration	28.23	-

d) Outstanding balances

<u>Name of the related party</u>	<u>Nature of transaction</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
Greenlam Industries Limited	Sale of products	66.04	-
	Purchase of products	3.84	-
Greenply Industries Limited	Sale of products	1,145.23	-

e) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

<u>Nature of transaction</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
Short-term employee benefits	471.42	-
Other long-term benefits	34.40	-
Total compensation paid to key management personnel	505.82	-

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Holding Company as a whole, the amount pertaining to each key management personnel is not separately ascertainable and, therefore, not included above. Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

f) Terms and conditions of transactions with related parties

Purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end are unsecured and will be settled in cash and cash equivalents.

The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

h) Details of loans, investments and guarantees covered under Section 186(4) of the Companies Act, 2013

(i) Details of loans Not Applicable

(ii) Details of investments

Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

(iii) Details of guarantees Not Applicable

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40. Accounting classifications and fair values (Ind AS 107)

See accounting policy in note 3(c)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet are as follows:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Financial assets at amortised cost		
Non-current		
Loans	1,233.69	-
Current		
Trade receivables	4,561.86	-
Cash and cash equivalents	1,956.59	5.07
Other bank balances	28.54	-
Loans	32.32	-
Other financial assets	2,918.69	-
	<u>10,731.69</u>	<u>5.07</u>
Financial assets at fair value through profit and loss		
Current		
Level 2		
Derivatives	10.39	-
	<u>10.39</u>	<u>-</u>
Total Financial Assets	<u>10,742.08</u>	<u>5.07</u>
Financial liabilities at amortised cost		
Non-current		
Borrowings	45,966.53	-
Other financial liabilities	1,253.00	-
Current		
Borrowings	4,541.70	-
Other financial liabilities	10,973.37	-
Trade payables	8,156.89	0.25
	<u>70,891.49</u>	<u>0.25</u>

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41. Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on Group specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements are as follows:

	<u>31 March 2019</u>	<u>31 March 2018</u>
Financial assets - Level 2		
Derivatives	<u>10.39</u>	<u>-</u>

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits, borrowings and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of the quoted investments are based on market price at the respective reporting date.
- (b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves based on report obtained from banking partners.
- (c) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies based on report obtained from banking partners.

42. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. Foreign currency options contract are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, credit based approval process.
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities.
Market risk Foreign exchange risk	Committed commercial transaction, Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts.
Interest rate	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Interest rate swaps

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group receivables from customers and loans. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, foreign exchange transactions and financial guarantees. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

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Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	31 March 2019	31 March 2018
Revenue from a top customer	6.38%	-
Revenue from top five customers	12.26%	-

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables.

Particulars	31 March 2019	31 March 2018
Balance at the beginning	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	229.48	-
Impairment loss recognised	96.90	-
Balance at the end	326.38	-

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, finding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

31 March 2019	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	14,258.99	31,067.64	18,056.64	63,383.27
Trade payables	8,156.89	-	-	8,156.89
Other financial liabilities	2,723.95	1,253.00	-	3,976.95
Derivatives	-	-	-	-
	25,139.83	32,320.64	18,056.64	75,517.11
31 March 2018	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Derivatives	-	-	-	-
	-	-	-	-

* including estimated interest

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(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk.

Exposure to currency risk

The Group's exposure to foreign currency at the end of the reporting period are as follows:

Particulars	Currency	31 March 2019		31 March 2018	
		Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
- Hedged exposures					
Trade payables	EURO	2,18,797	169.60	-	-
	USD	1,77,416	122.61	-	-
			292.21		-
- Unhedged exposures					
Borrowings	EURO	4,20,71,469	32,611.19	-	-
	USD	1,10,00,000	7,602.10	-	-
			40,213.29		-
Borrowings - Packing credit	USD	4,21,692	291.43	-	-
Borrowings - Buyers credit	USD	3,71,102	256.47	-	-
Trade payables	EURO	11,96,493	927.45	-	-
	USD	5,49,536	379.78	-	-
			1,307.23		-
Trade receivables	USD	16,65,127	1,150.77	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EURO against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Nature	Effect	31 March 2019	31 March 2018
USD (1% Movement)	Profit or loss	Strengthening	(75.02)	-
		Weakening	75.02	-
	Equity, net of tax	Strengthening	(49.06)	-
		Weakening	49.06	-
EUR (1% Movement)	Profit or loss	Strengthening	(337.08)	-
		Weakening	337.08	-
	Equity, net of tax	Strengthening	(220.42)	-
		Weakening	220.42	-

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(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's short term borrowing with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Effect of interest rate swaps	<u>(7,602.10)</u>	<u>-</u>
	<u>(7,602.10)</u>	<u>-</u>
Variable rate instruments		
Financial assets	-	-
Financial liabilities	<u>(60,031.98)</u>	<u>-</u>
Effect of interest rate swaps	<u>7,602.10</u>	<u>-</u>
	<u>(52,429.88)</u>	<u>-</u>

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	Nature	Effect	31 March 2019	31 March 2018
Variable rate instruments	Profit or loss	Strengthening	(600.32)	-
		Weakening	600.32	-
	Equity, net of tax	Strengthening	(392.56)	-
		Weakening	392.56	-
Interest rate swap	Profit or loss	Strengthening	76.02	-
		Weakening	(76.02)	-
	Equity, net of tax	Strengthening	49.71	-
		Weakening	(49.71)	-
Cash flow sensitivity (net)	Profit or loss	Strengthening	(524.30)	-
		Weakening	524.30	-
	Equity, net of tax	Strengthening	(342.85)	-
		Weakening	342.85	-

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43. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders. The Group monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

Particulars	<u>31 March 2019</u>	<u>31 March 2018</u>
Total debt (Bank and other borrowings)	58,651.38	-
Less: Cash and cash equivalents	1,956.59	5.07
Adjusted net debt	56,694.79	(5.07)
Equity	64,549.80	4.81
Debt to Equity (net)	0.88	(1.05)

In addition, the Group has financial covenants relating to the banking facilities that it has taken from all the lenders like interest service coverage ratio, Debt to EBITDA, current ratio etc. which is maintained by the Group.

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44. Operating segments

A. Basis of segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's strategic business units. These business units are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segment	Operations
Plywood and allied products	Manufacturing
Medium Density Fibre Boards and allied products	Manufacturing

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31 March 2019	Reportable segments			All other segments	Total
	Plywood and allied products	Medium Density Fibre Boards and allied products	Total Reportable segments		
Segment revenue:					
- External revenues					
a) Sales	14,116.15	44,146.32	58,262.47	-	58,262.47
b) Other operating income	34.12	1,614.80	1,648.92	-	1,648.92
- Inter-segment revenue	-	-	-	-	-
Total segment revenue	14,150.27	45,761.12	59,911.39	-	59,911.39
Segment profit/(loss) before income tax	2,041.32	4,937.09	6,978.41	-	6,978.41
Segment profit/(loss) before income tax includes:					
Interest revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation and amortisation	446.98	4,383.94	4,830.92	-	4,830.92
Tax expense	-	-	-	-	-
Other material non cash item (if any)	-	-	-	-	-
Segment assets	12,124.30	1,24,539.67	1,36,663.97	-	1,36,663.97
Segment liabilities	3,982.69	73,450.06	77,432.75	-	77,432.75

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B. Information about reportable segments (continued)

Year ended 31 March 2018	Reportable segments			All other segments	Total
	Plywood and allied products	Medium Density Fibre Boards and allied products	Total Reportable segments		
Segment revenue:					
- External revenues					
a) Sales	-	-	-	-	-
b) Other operating income	-	-	-	-	-
- Inter-segment revenue					
Total segment revenue	-	-	-	-	-
Segment profit/(loss) before income tax	-	-	-	-	-
Segment profit/(loss) before income tax includes:					
Interest revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Tax expense	-	-	-	-	-
Other material non cash item (if any)	-	-	-	-	-
Segment assets	-	-	-	-	-
Segment assets include:					
Capital expenditure during the year	-	-	-	-	-
Segment liabilities	-	-	-	-	-

Property, plant and equipment are allocated based on location of the assets.

C. Reconciliations of information on reportable segments to Ind AS measures

	Year ended 31 March 2019	Year ended 31 March 2018
i. Revenues		
Total revenue for reportable segments	59,911.39	-
Revenue for other segments	-	-
Elimination of inter-segment revenue	-	-
Elimination of revenue of discontinued operation	-	-
Consolidated revenue	59,911.39	-
ii. Profit before tax		
Total profit before tax for reportable segments	6,978.41	-
Profit before tax for other segments	-	-
Elimination of inter-segment profits	-	-
Elimination of profit of discontinued operation	-	-
Unallocated amounts:		
Corporate expenses	(5,739.96)	-
Consolidated profit before tax	1,238.45	-
iii. Assets		
Total assets for reportable segments	1,36,663.97	-
Assets for other segments	-	-
Unallocated amounts	9,131.36	-
Consolidated total assets	1,45,795.33	-
iv. Liabilities		
Total liabilities for reportable segments	77,432.75	-
Liabilities for other segments	-	-
Unallocated amounts	3,812.78	-
Consolidated total liabilities	81,245.53	-

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C. Reconciliations of information on reportable segments to Ind AS measures (continued)

v. Other material items

Particulars	Year ended 31 March 2019			Year ended 31 March 2018		
	Reportable segment total	Adjustments	Consolidated totals	Reportable segment total	Adjustments	Consolidated totals
Interest revenue	-	-	-	-	-	-
Interest expense	-	2,463.24	2,463.24	-	-	-
Depreciation and amortisation expense	4,830.92	472.42	5,303.34	-	-	-

D. Geographical information

Particulars	Within India		Outside India		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
External revenue by location of customers	53,029.90	-	6,881.49	-	59,911.39	-
Carrying amount of segment assets by location of assets	1,42,620.79	-	3,174.54	-	1,45,795.33	-

E. Major customer

The Group does not receive 10% or more of its revenues from transactions with any single external customer.

45. Taxation

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

46. Dues to Micro enterprises and small enterprises

	<u>31 March 2019</u>	<u>31 March 2018</u>
(a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year		
- Principal	0.81	-
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

47. Government grant (Ind AS 20): Other operating revenue includes incentives against scheme of budgetary support under Goods and Services Tax Regime for the unit set-up in Rudrapur-MDF, Uttarakhand of ₹ 876.55 lakhs (31 March 2018 ₹ Nil)

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48. Scheme of Arrangement

48.1 Pursuant to the Composite Scheme of Arrangement ('the scheme') between Greenply Industries Limited (Greenply), the Holding Company and their respective shareholders and creditors as approved by the Hon'ble National Law Company Tribunal (NCLT), Guwahati Bench, vide its order dated June 28, 2019, which became effective on July 1, 2019 on filing with the Registrar of Companies, all the assets and liabilities of the 'transferred business' of Greenply i.e. the MDF manufacturing unit situated at Routhu Suramala, Chittoor (Andhra Pradesh), MDF manufacturing unit and Plywood and allied products manufacturing unit located in a common plot at Pantnagar (Uttarakhand), registered, marketing, branch and administrative office(s) located in India and its investment in wholly owned subsidiary viz. Greenpanel Singapore Pte. Ltd. formally known as Greenply Trading Pte. Limited (registered in Singapore) excluding its investment of USD 37,50,000 (37,50,000 ordinary shares of USD 1 each) in Greenply Alkema (Singapore) Pte. Ltd. (registered in Singapore), have been transferred to and vested in the Holding Company at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2018). Accordingly, the Scheme of Arrangement has been given effect to in these accounts.

48.2 Assets and liabilities transferred pursuant to the scheme:

The whole of the assets and liabilities of the Demerged undertaking of Greenply became the assets and liabilities of the Holding Company and were recorded at their book values as appearing in the books of the Demerged Company with effect from the appointed date (i.e. April 1, 2018). The details of assets and liabilities transferred from Greenply are as under:

Particulars	Amount
Assets	
(1) Non-current assets	
(a) Property, plant and equipment	37,627.07
(b) Capital work-in-progress	73,348.65
(c) Other intangible assets	117.13
(d) Financial assets	
(i) Investments	10.00
(ii) Loans	1,194.27
(e) Other non-current assets	2,319.98
Total non-current assets	1,14,617.10
(2) Current assets	
(a) Inventories	10,298.48
(b) Financial assets	
(i) Trade receivables	5,064.97
(ii) Cash and cash equivalents	516.10
(iii) Other bank balances	33.65
(iv) Loans	81.44
(v) Derivatives	125.97
(vi) Other financial assets	1,501.86
(c) Other current assets	4,803.44
Total current assets	22,425.91
Total assets	1,37,043.01
Liabilities	
(1) Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	41,647.87
(ii) Other financial liabilities	1,057.53
(b) Provisions	786.77
(c) Deferred tax liabilities (net)	3,911.53
(d) Other non-current liabilities	4,991.70
Total non-current liabilities	52,395.40
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	3,112.51
(ii) Trade payables	8,714.78
(iii) Other financial liabilities	7,985.15
(b) Other current liabilities	3,603.65
(c) Provisions	196.69
Total current liabilities	23,612.78
Total liabilities	76,008.18

Greenpanel Industries Limited**Notes to the consolidated financial statements for the year ended 31 March 2019****₹ in Lakhs**

48.3 Equity and Reserves pursuant to the scheme:

Pursuant to the scheme, the difference between the book value of the assets and liabilities transferred from Greenply has been credited to the shareholders' fund of the Holding Company as under:

Particulars	Amount
Share Capital	1,226.27
Capital Reserve	59,808.56
Total	61,034.83

48.4 Other Matters:

- a) The Holding Company shall issue and allot 12,26,27,395 equity shares of Re. 1 (Indian Rupee one only) 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 Re. 1 (Indian Rupees one only) each, credited as fully paid up for every 1 (one) equity share of Re. 1 (Indian Rupees one only) each held by them in Greenply. Till the allotment, the same would appear in share suspense account. Since the effect of demerger has been given in the financials, 10,00,000 equity shares of Re. 1 each allotted to Greenply has been cancelled and the Holding Company has ceased to be subsidiary of Greenply.
- b) The transactions between the appointed date upto to the effective date as appearing in the books of accounts of Greenply have been deemed to have been made by the Holding Company.
- c) All costs, charges and expenses including stamp duties arising out of or incurred so far in carrying out and implementing this Scheme and matters incidental thereto, have been borne by Greenply and the Holding Company in the ratio of 1:1.
- d) The immovable assets of the Holding Company stands freed from all charges, mortgages and encumbrances relating to liabilities relating to Greenply. But, Greenply had created charges over its immovable assets (including those which now belong to the Holding Company) under the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of the Holding Company. As the legal ownership of the immovable assets have not yet been transferred to the Holding Company, Greenply continues to enjoy credit facilities by the subsisting charges, mortgages and encumbrances over such assets. Vice Versa, the Holding Company enjoys credit facilities by the subsisting charges, mortgages and encumbrances over immovable assets belonging to Greenply. Till creation/modification/satisfaction of Charges, as the case may be, in favour of the various banks/secured creditors of the respective Companies in terms of the applicable provisions of the Companies Act, 2013, the banks/secured creditors of the Holding Company shall continue to hold their respective charge over the immovable assets of Greenply.
- e) Although, pursuant to the scheme of arrangement, the immovable properties belonging to the demerged undertakings of Greenply vest in and/or deemed to be transferred to and vested in the Holding Company, the mutation of title/assignment of leases thereof in the name of the Holding Company are yet to be made and recorded by the appropriate authorities. Notwithstanding the same, the Holding Company exercises all rights and privileges and pays ground rent, municipal taxes and fulfils all obligations, in relation to or applicable to such immovable properties.
- f) Mr. Shiv Prakash Mittal and Mr. Shobhan Mittal, Directors of the company would be appointed as Executive Chairman and Managing Director & CEO respectively in the board meeting to be held on 19 July 2019. As such they have been included as Key Managerial Personnel (KMP), since they have a significant influence over the operating and financial decisions making roles. Hence, the remuneration paid to them during FY 2018-19 has been disclosed as related party transaction.

Greenpanel Industries Limited
Notes to the consolidated financial statements for the year ended 31 March 2019
₹ in Lakhs

49. Distribution made and proposed dividend (Ind AS 1)

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2019. Since no dividend has been proposed in the current and previous year, financial figures with respect to the same has not been given.

50. The consolidated financial statements of the previous year was not required to be prepared since there was no entity for the purpose of consolidation.

51. The figures stated in the current year are not comparable with those of previous period for the reasons that (a) the figures for the previous period were since incorporation of the Holding Company on December 13, 2017 to March 31, 2018; and (b) in the current year, effect has been given to Scheme of Arrangement as approved by the National Company Law Tribunal. The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

As per our report of even date attached
For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

For and on behalf of Board of Directors of
Greenpanel Industries Limited
CIN: U20100AS2017PLC018272

Sunil Wahal
Partner
Membership No.: 087294

Shiv Prakash Mittal
Executive Chairman
(DIN : 00237242)

Shobhan Mittal
Managing Director & CEO
(DIN : 00347517)

V. Venkatramani
Chief Financial Officer

Banibrata Desarkar
Company Secretary & VP-Legal

Place : Gurgaon
Dated : 19 July 2019

Place : Gurgaon
Dated : 19 July 2019