MDF.

Why medium density fibre has a big future in India and why our company is betting big on it

Greenpanel Industries Limited
Annual report 2018-19

Forward-looking statement
This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Key performance snapshot, 2018-19

570.82
Revenues (₹ cr)

96.16
EBIDTA (₹ cr)

44.13
PAT (₹ cr)

16.85
EBIDTA margin (%)

7.73
PAT margin (%)

Average realisation

251
per Sqm for Plywood (₹)

21,614
per CBM for MDF (₹)

Contents

This Annual Report is dedicated to presenting answers related to MDF. However, it begins with four questions...

Why are more people talking of Medium density fibreboard (MDF) these days?

Why are more consumers hinting of MDF as 'wonder wood'?

Why are young home buyers turning to branded furniture?

Why is branded furniture being made of MDF?

This Annual Report is dedicated to helping readers understand the impending MDF revolution in India and Greenpanel's role in making it happen.

MDF. A product whose time has come...

When a young home-maker says 'Wow! This IKEA bed is so light!' They are paying a compliment to MDF.

When an interior designer studies all wood options and finally selects MDF, it is a box ticked in favour of tomorrow's furniture building material.

When a carpenter needs to work with furniture material that he can cut like *makkhan*, he doesn't think beyond MDF.

When a large office needs to invest in quality furniture without spending a fortune, the interiors consultant suggests, "Have you tried looking at MDF?"

Greenpanel and MDF. Taking each other's interests ahead.

Pioneered the manufacture of MDF and allied products in India.

Now India's largest wood panel producer.

Accounts for 23% of India's rapidly growing MDF market.

OUR CASE FOR MDF IN INDIA COMES DOWN TO JUST THREE LINES.

India is the second largest consumer population in the world.

The organised furniture market is one of the fastest growing interior segments.

MDF is one of the fastest growing materials used in furniture products.

Overview
When one appraises the outlook for MDF, it is usually the long-term that provides the best perspective.

This is why one is optimistic of the long-term prospects of MDF in India.

There are two inflection points in concurrent progress.

One, the manufacture of unorganised furniture in India is yielding to organised brands.

Two, the preference for cheap plywood is yielding to a willingness to use MDF.

When you put these two realities together, what you get is an attractive long-term future for MDF.

THE PROSPECT FOR MDF IS ENCAPSULATED IN JUST TWO NUMBERS.

25	26
India's furniture market opportunity (in USD billion)	India's annual estimated furniture market growth (%)

Overview

There are a number of reasons why we are optimistic of the long-term prospects of MDF in India.

Consumer aspirations are rising; home-pride is growing.

Furniture is now being marketed online or in organised retail stores.

There is a greater preference for buying furniture off the shelf than fabricating it.

The choice of furniture has widened to cover a range of budgets, room sizes and designs.

The incidence of working women means that the traditional supervisory role during fabrication is over.

Scale, branding, marketing and mechanisation have been combined into an irresistible proposition.

There is a wider respect for the fact that MDF possesses superior surface uniformity (without knots).

The complement of these realities makes MDF one of the more exciting plays in the Indian interiors sector.

80%

PANEL PRODUCTS MADE GLOBALLY USING MDF

20%

PANEL PRODUCTS MADE IN INDIA USING MDF

A number of industry experts believe that the switchover towards an increased use of MDF has begun.

MDF could grow its market share faster than before in an enlarging market.

Making it possible for MDF to handsomely outperform market growth.

Overview

There used to be a conventional resistance to MDF.

“Yes, but we would still prefer plywood” would be general consumer response after listening to why MDF would enhance their price-value proposition.

Times are changing.

During the last few years, a concerted marketing focus by Indian MDF manufacturers has positioned this product around the same price as low cost plywood and considerably superior in term of quality.

Which explains why MDF is at an inflection point in transitioning from slow growth to disproportionately higher growth.

Making it a product to track and a company like Greenpanel to watch.

The Greenpanel advantage

- India’s largest MDF capacity (540,000 CBM)
- MDF manufacturing presence in Northern and Southern India, key consuming markets
- MDF availability across 1250 dealers pan-India
- Wide product range; extensive customisation capabilities
- Best in class quality

YOU ARE A DISCERNING CONSUMER.

WOULD YOU BUY CHEAP PLYWOOD WITHOUT ASSURANCE? OR TRUST QUALITY MDF WITH WARRANTY?

For decades, the Indian plywood segment has been largely driven by unorganised players.

This segment services the price-sensitive low cost plywood segment.

The size of this unorganised market is estimated at around ₹5000 crore.

This segment usually patronised price-sensitive (and quality-insensitive) consumers.

However, a number of realities in the last few years have transformed this segment.

One, consumers have become better educated through the social media.

Two, GST implementation has reduced the price gap between organised and unorganised players.

Three, the viability of unorganised players has been affected.

Four, MDF has emerged as a suitable alternative, opening up the replacement market.

The Greenpanel advantage

- Use of European technology, enabling MDF production at a lower cost
- Better priced when compared with mid-range and premium plywood
- Available across most Tier II and III Indian cities

WOULD THE CARPENTER WORK WITH HARDER WOOD? **OR PREFER SOMETHING EASIER TO CUT, WITH BETTER FINISH AND ENHANCED CUSTOMER SATISFACTION?**

When a consumer walks into a store to buy the right furniture fabrication material, the final say is not hers.

It is usually that of the carpenter or interior designer.

Over the years, India's MDF sector has worked closely with opinion influencers. The sector has trained and educated carpenters, conducting Q&A sessions with architects, interior decorators and dealers.

The result is a widespread recognition that MDF is easier to cut, possesses superior surface finish and does not warp or swell in high humidity areas (read bathrooms or washrooms).

Handsome is what handsome does.

The Greenpanel initiatives

- Conducted various seminars with architects and carpenters
- Implemented specialised dealer promotional campaigns
- Developed a mobile app called Carpenter Guru
- Created a digital platform to enhance carpenter skills and livelihoods
- Created a platform to enhance knowledge on furniture designs, materials and hardware
- Platform-enhanced learning on how to work with different varieties and different tools

There is a conventional blocker against the use of wood in furniture.

Most people believe that the greater the use of furniture, the more forests that need to be cut.

MDF counters this perspective comprehensively.

The board is produced from 100% renewable and sustainable wood sourced from agro-forestry plantation trees.

These trees possess a life cycle of 3-4 years and do not deplete forest cover.

This makes MDF ideal for use in 'green' buildings, positioning it as the building material of the future.

MDF IS A GREEN PRODUCT. VALIDATING ITS UNIVERSAL ACCEPTABILITY.

MDF IS PREFERRED BY OPINION MAKERS AND PRODUCT INFLUENCERS. **CREATING A GROUNDSWELL OF POSITIVE OPINION.**

Pappu Mandal, Carpenter

"MDF *halka hai aur mazboot bhi. Kaam jaldi ho jata hai.* We can do more jobs in the same time."

Anil Kumar Sapthagiri, Sapthagiri Panel Boards, Greenpanel distributor

"A sense of teamwork on the part of Greenpanel and distributors has resulted in a problem-free distribution network – from the plant to the dealers to the retailers and then to the end-user. We are a multi-brand stockist but our major revenues are derived from Greenpanel. What sets Greenpanel apart is its initiative-taking: immediately after the plant was commissioned in Srikalahasti, Greenpanel educated and trained carpenters in working with MDF, which helped influence opinion makers and widen the market. Besides, Greenpanel distributes high-end MDF variants like Club Grade HDF and Eco-Lite, which no other company is doing. The ultimate value proposition is that Greenpanel's MDF comes with a lifetime guarantee with no threat of termite infestation."

Chetan Khanna, Interior Designer

"With MDF, it has become increasingly simple to transform one's ideas into reality – due to easy product availability, workability and versatility."

Anita Venkatesan, Interior Designer

"What I like best about MDF is that its sheets are available in all sizes - small for decorative purposes and large for wall panels. Besides, you get different MDF wall panel designs. The result is that you get wall panels around virtually any theme!"

Anshul Sen, Interior Designer

"MDF is easier to cut and cost-effective, helping us deliver projects faster around the budgets of our customers. Which is why we prefer to use MDF as a panel product wherever possible."

The Greenpanel advantage

Largest MDF capacity in India

Closer to OEM manufacturing bases

Facilitates product customisation

Provides unmatched quality (rejection rate less than 1%)

INTRODUCING GREENPANEL. INDIA'S LARGEST MDF MANUFACTURER.

Brand vision

Every organisation in this world irrespective of size and domain works towards building a prosperous future for itself. We believe that the key to do so is by innovating in products and exceeding customer satisfaction.

We, at Greenpanel, envision the future of contemporary living spaces and then bring it to life. We pride ourselves in coming up with innovations which help us in achieving our company's vision. To represent the infinite future possibilities in wood paneling.

Our new logo is the perfect depiction of these infinite possibilities with a seamless merging of G&P to form an infinity symbol.

Mission

We are committed to provide our customers with products and solutions that are not only way ahead of their time, but also fit our customer needs like a glove. Our wood panel solutions are contemporary and are tailor-made to fit the evolving needs of our customers.

OUR **VALUES**

Contemporary: We constantly strive to come up with innovative designs that fit modern spaces and add sheen of elegance to home or office space.

Transformative: With avant-garde offerings, we constantly try to raise the bar of the industry in general.

Trustworthy: Be it our customers, shareholders, employees or the public in general, we make sure we live up to the trust they have placed in us.

Versatile: We embrace change and do not fear it. This helps us stay ahead of the curve and please our customers.

Adaptable: We are nimble and are quick to adapt as and when required.

Eco-friendly: We make the best use of the scarce resources available to us to minimise wastage and only use efficient production practices.

PEDIGREE
Greenpanel is India's largest manufacturer of wood panels. MDF is the flagship product of the Company and a market leader in the segment.

DEMERGER
The Company was the erstwhile MDF division of Greenply Industries, demerged as on 1st April 2018 into an independent company focusing largely on MDF manufacturing and marketing.

LEADERSHIP
Greenpanel is guided by visionaries in India's wood panel industry. The Company is headed by Mr. Shiv Prakash Mittal (Executive Chairman) and Mr. Shobhan Mittal (Managing Director and CEO), assisted by experienced professionals.

PRESENCE
Headquartered in Kolkata (West Bengal), Greenpanel operates out of two manufacturing units – in Uttarakhand and Andhra Pradesh. The Company services pan-India demand through more than 1250 dealers.

PRODUCTS
In addition to MDF, the Company is also engaged in the production of plywood, decorative veneers, wood floors and doors.

AWARDS
Our MD & CEO, Mr. Shobhan Mittal has been conferred with "The Economic Times Most Promising Business Leader of Asia" and Amity Leadership Award for Business Excellence

Indian Green Building Council rated the Greenpanel MDF plant in Andhra Pradesh 'Gold', which stands for National Excellence

OUR MANUFACTURING UNITS
We have invested in state-of-the-art manufacturing units fitted with European technology. We conduct stringent quality check at the plants to comply with internally benchmarked quality standards.

ANDHRA PRADESH PLANT
The 3,60,000 CBM MDF plant is the largest in Asia and equipped with European machinery

UTTARAKHAND PLANT
Located at Pantnagar, the plant has a capacity of 10.5 Million Square Meters of Plywood and 180,000 CBM of MDF equipped with European technology

HOW WE HAVE GROWN OVER THE YEARS

2010
Launch of Green Panelmax; commencement of production at the most modern MDF plant in India (Pantnagar)

2014
Launch of Green Floormax Wood Floors

2015
Commissioning of an export office out of Singapore

2016
Embarked on building a new MDF plant in Andhra Pradesh

2018
Commenced production in Asia's largest MDF plant in Andhra Pradesh

2019
Demerged from Greenply to become Greenpanel Industries Limited

THE GREENPANEL **MDF VALUE-ADD**

POSSESSES A UNIQUE FIBRE INTERLOCKING TECHNOLOGY, ENHANCING BONDING STRENGTH AND RIGIDITY

MADE FROM 100% HARDWOOD EUCALYPTUS TIMBER (0% LATEX CONTENT), IDEAL FOR PAINTING AND POLISHING

HOMOGENEOUS CONSTRUCTION FACILITATES INTRICATE AND PRECISE ROUTING, MACHINING AND FINISHING TECHNIQUES

BORER, TERMITE AND FUNGUS-RESISTANT; RESISTANT TO WEAR

EXTENSIVELY TESTED; POSSESSES A SMOOTH FINISH, SUPERIOR MACHINING CHARACTERISTICS AND UNMATCHED STRENGTH

CONSUMES 100% RENEWABLE WOOD RESOURCES FROM AGRO-FORESTRY PLANTATIONS (NO FOREST DEPLETION)

Greenpanel: A user's best friend

Why does a carpenter swear by Greenpanel's products? Why does the end user usually come to the conclusion after a few years of product use that Greenpanel represents an effective insurance? Why does every stakeholder in the Greenpanel sales chain feel that she/he have generated superior value?

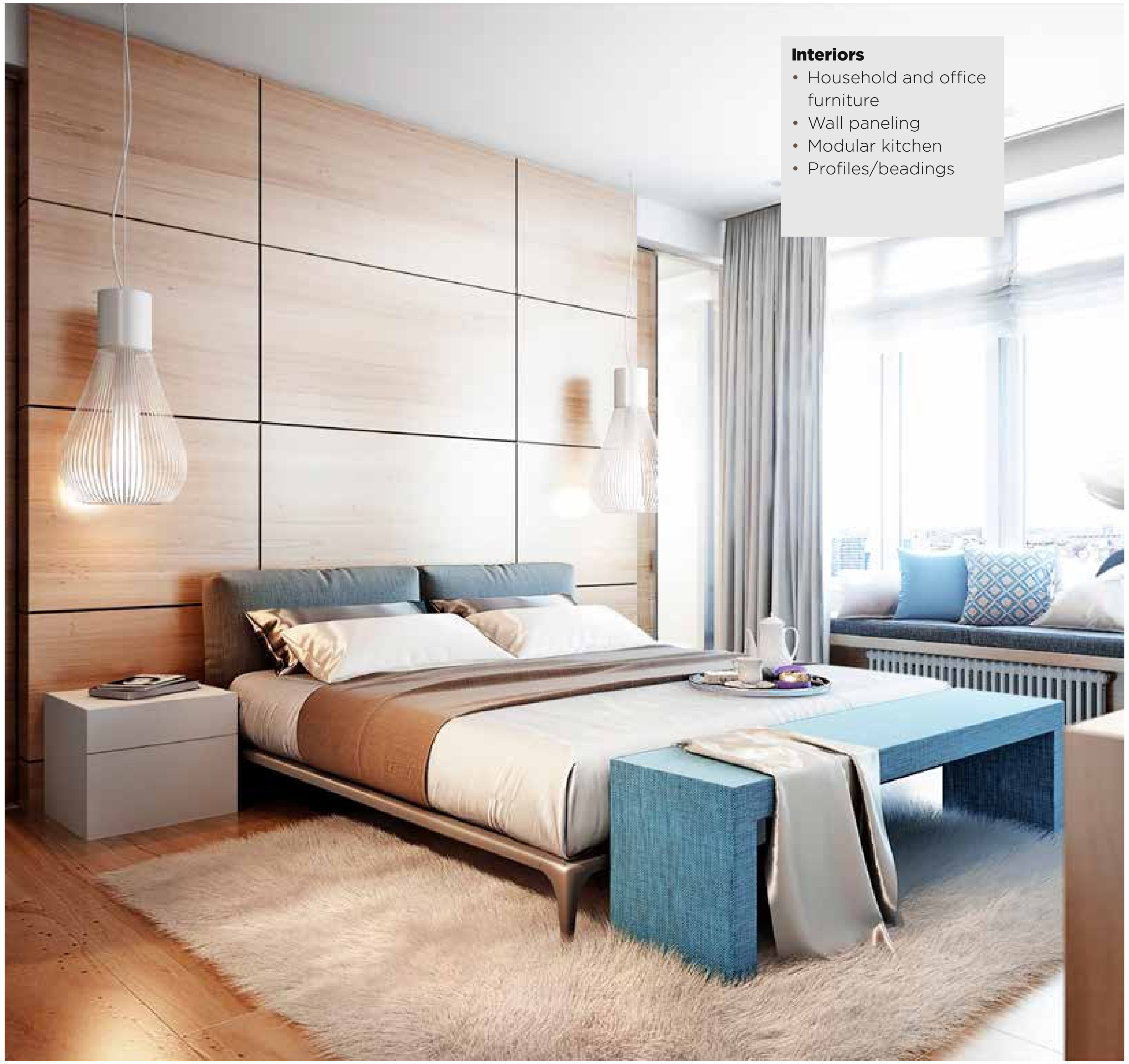
The answer is traced to the extensive investments made by Greenpanel in its product and process integrity. The Greenpanel MDF product is carpenter-friendly and experience-accretive for the consumer and interior designer.

This superior Greenpanel stakeholder proposition is the result of an over-arching quality commitment: superior quality and strength, smooth surface and uniform density. The result: superior machinability.

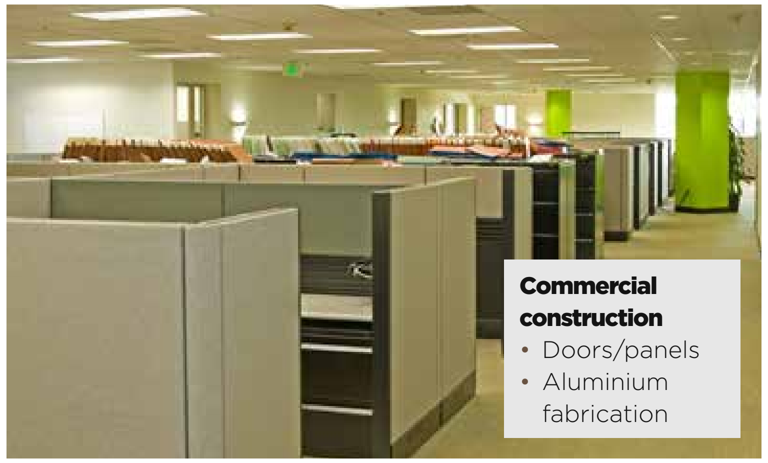
Over the years, carpenters have indicated that the homogeneous construction of Greenpanel's MDF facilitates precise routing, machining and finishing. The versatility of use makes it suitable for a range of specialised applications (carving and moulding).

The result is that Greenpanel MDF boards are suited for intricate lattice patterns and quality laser engravings, among a range of applications. Besides, the boards are made with 100% hardwood eucalyptus timber (0% latex content), making them ideal for painting, polishing and high-gloss finishes. Besides, the surface smoothness makes the application of laminates and veneers easier and enduring.

MDF. IDEAL FOR A VARIETY OF APPLICATIONS



Interiors
- Household and office furniture
- Wall paneling
- Modular kitchen
- Profiles/beadings



Commercial construction
- Doors/panels
- Aluminium fabrication

Wood industry
- Handicraft items
- Trophies, mementos and awards
- Die/pattern makers
- Scientific instruments
- Mirror frames
- Photo lamination and photo frames
- Exhibitions
- Portable huts/ bunkers/pre-fab shelters

Others
- Clocks
- Display items
- Shoe heels
- Toys and gift items
- Automobile industry
- Stationery items
- Textile industry
- Medical equipment
- Architect models/ sculptures
- Column industry/ speaker boxes
- Packaging
- Sewing machine tops
- Sports industry
- Slates and clip boards
- Wire drums

Shiv Prakash Mittal
Executive Chairman

Executive Chairman's overview

"AT GREENPANEL, WE ARE OPTIMISTIC OF PROSPECTS AS MDF IS A SUNRISE BUSINESS IN INDIA"

Dear shareholders,

I am happy to present you the first annual report of Greenpanel Industries Limited, following its demerger from Greenply Industries Limited with effect from 1st April 2018.

The demerger was implemented to enhance focus, brand, awareness, skills and resources with the objective to strengthen the viability of the constituent sub-businesses.

Aligning with the global trend

At Greenpanel, we believe that the medium density fibreboard (MDF) needs more players like us to evangelise the product. There is a growing consensus that the time is now: this engineered wood has emerged as one of the primary furniture choices the world over. Much of the furniture the world user is fabricated using MDF; in India much of the furniture sector continues to use plywood.

The result is reflected in an extensive consumption skew: globally MDF accounts for nearly 80% of the furniture fabrication material (rest plywood) while the trend is the reverse in India with 80% of the consumption accounted by plywood (rest MDF and others).

We believe that the time has come when the transition in India will be catalysed by the global trend. The mobility of the Indian urban population – willingness to change residential locations – could inspire a greater consumption of readymade cost-effective furniture compared to the conventional practice of on-site and time-consuming residential fabrication.

This trend is being catalysed by the emergence of online furniture brands, who, strengthened by private equity funding, are widening the market for MDF-intensive furniture products. Besides, the entry of Ikea into India is expected to widen the acceptability and experience of factory-made furniture in the country.

Product superiority

At Greenpanel, we are convinced that MDF addresses a positive long-term outlook.

We see this moment as an attractive point at the bottom of a long J-curve for some good reasons.

MDF is not being positioned to replace the use of plywood; it counters low quality plywood with a superior alternative. Besides, with the mid-segment plywood segment becoming increasingly vacant following GST implementation, the price gap between organised and unorganised players has narrowed, catalysing MDF offtake.

The size of the market that consumes low quality plywood is vast and growing; it addresses the needs of a large number of lifestyle aspirants who, strengthened by income growth, are investing in increased home pride. As this vast market shifts from the use of plywood to MDF, we see two things happening: playing catch-up with the large demand created by the shift on the one hand and addressing the organic growth of the market on the other.

We believe that the market will respond positively to MDF's non-directional grain structure that makes it ideal for cutting, machining and drilling without splinters or chipping. Besides, the absence of knots makes it easier for finishing, strengthening its preference in factory-made furniture.

Being environment-friendly

One of the biggest drivers of the increased use of MDF is its environment-friendliness.

With most consumers seeking relatively low carbon footprint products and modern offices being designed around demanding LEED certifications, there is a growing environmental consciousness translating into enhanced MDF use.

MDF is produced from quick-growing hardwood species that takes 4-5 years to mature and is regularly replenished. Besides, MDF enjoys a superior input-output ratio of 90-95% compared to 60-65% for plywood, strengthening its resource effectiveness.

The result is that Greenpanel's MDF is made from 100% renewable and sustainable wood resources, making it preferred for use in GRIHA and IGBC-certified buildings.

Greenpanel positioned attractively

Greenpanel brings a pioneering commitment to the sector.

The Company embarked on marketing the product when it was largely unheard of in India. The result of this pioneering presence is that the Company played a missionary role in creating a pan-India market for MDF, accounting for the largest market share.

Over the years, Greenpanel reinforced its commitment to grow the MDF market by commissioning two manufacturing plants – the Uttarakhand plant servicing growing demand from Northern India and the Andhra Pradesh plant servicing Southern India. Being a freight-sensitive business, the Company intends to widen and deepen its pan-Indian footprint with manufacturing facilities in western and eastern India across the foreseeable future.

Greenpanel is also adequately equipped to address large orders from customers. As an extension of its service commitment, the Company's state-of-the-art manufacturing technology facilitates customised size and thickness, making it a partner of choice. Besides, the Company also offers various products like CARB-certified MDF and pre-laminated MDF, among others, providing its customers with a wide range of products.

We are also providing allied products like doors and wooden floors to add value to MDF and provide a wider range of panel products.

Greenpanel also offers plywood under the same brand. Produced in our Uttarakhand plant, the Greenpanel Club plywood offers a lifetime warranty against manufacturing defects.

Outlook

At Greenpanel, we are optimistic of prospects as MDF is a sunrise business in India.

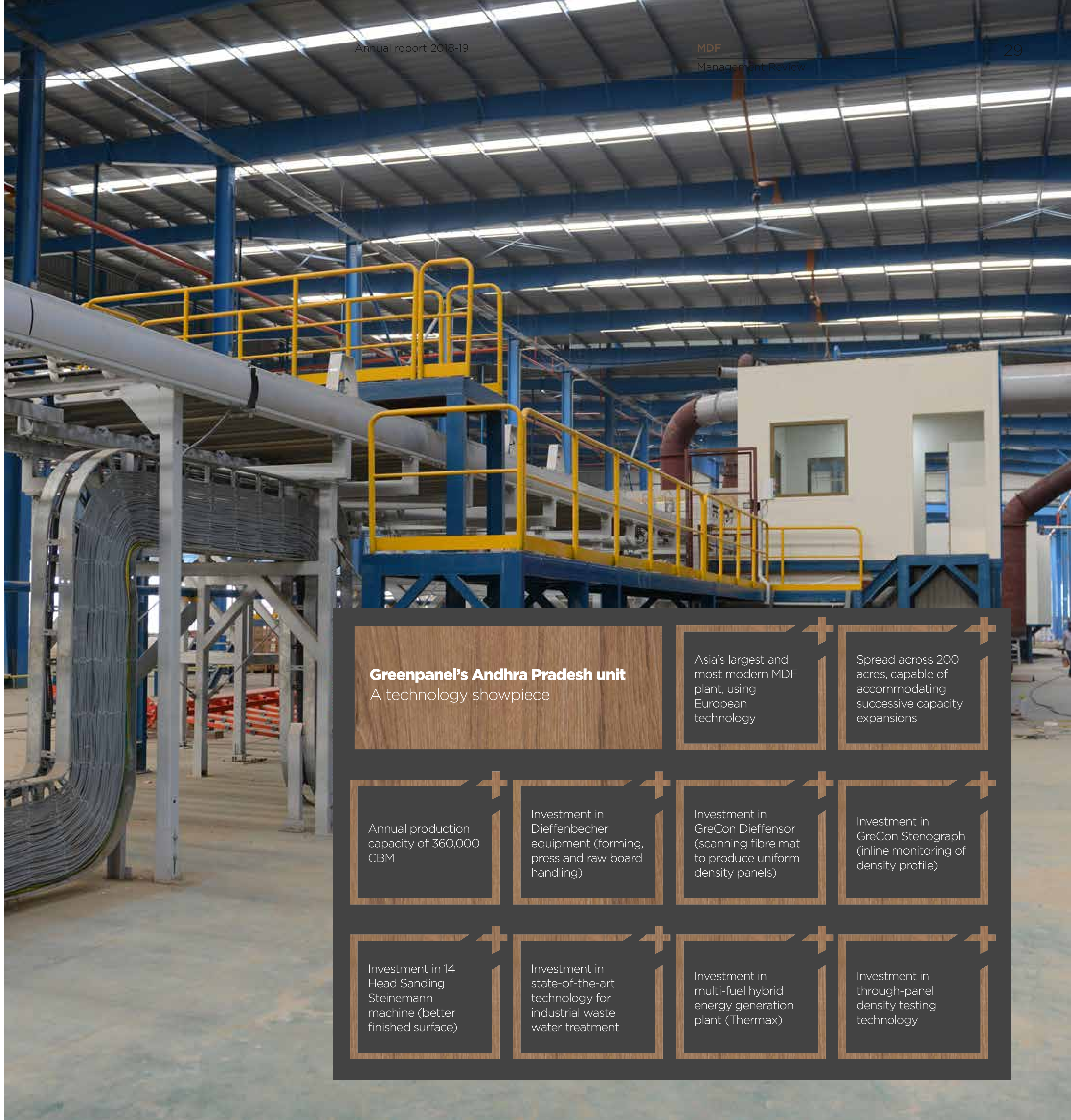
The ₹1800 crore MDF market is expected to grow to ₹2500 crore by 2024.

Greenpanel is expected to capitalise significantly on this sectoral opportunity through adequate scale and a multi-geography presence.

Our focus in 2019-20 will lie in building a larger market for our products leading to enhanced capacity utilisation of our newly-commissioned Andhra unit.

In view of these realities we expect to unlock significant value, strengthening our business sustainability.

Shiv Prakash Mittal
Executive Chairman



Greenpanel's Andhra Pradesh unit
A technology showpiece

Asia's largest and most modern MDF plant, using European technology

Spread across 200 acres, capable of accommodating successive capacity expansions

Annual production capacity of 360,000 CBM

Investment in Dieffenbecher equipment (forming, press and raw board handling)

Investment in GreCon Dieffensor (scanning fibre mat to produce uniform density panels)

Investment in GreCon Stenograph (inline monitoring of density profile)

Investment in 14 Head Sanding Steinemann machine (better finished surface)

Investment in state-of-the-art technology for industrial waste water treatment

Investment in multi-fuel hybrid energy generation plant (Thermax)

Investment in through-panel density testing technology

Review by the Managing Director and CEO

"BY THE VIRTUE OF BEING A PURE-PLAY MDF PLAYER, WE ARE ATTRACTIVELY POSITIONED TO CARVE OUT A DISPROPORTIONATELY LARGER SHARE OF A GROWING MARKET"

Shobhan Mittal
Managing Director and CEO

Dear shareholders,

I am communicating to you at an important point in our business.

During the year under review, Greenpanel commenced its journey as a standalone MDF manufacturer, which represents the coming of age for a company that pioneered MDF in India and accounts today for the largest market share.

Highlights of 2018-19
The principal highlight of our company in 2018-19 was the demerger from Greenply, which is expected to help us build a focused MDF platform leading to business sustainability.

We commenced operations of our Andhra Pradesh unit ahead of schedule during the year under review. The 360,000 CBM plant was commissioned three months ahead of schedule, making Greenpanel the largest player in the industry.

Challenging market
The MDF market remained challenging during the year under review.

There was a glut in MDF supply, the result of trebled national capacity in just three years coupled with imports. These imports primarily transpired in South India, a region without major indigenous MDF manufacturing capacities. The freight-sensitive nature of MDF made it unviable to transport material from North India to South India, inspiring the commissioning of greenfield capacity in the region.

Greenpanel's is the largest capacity to be commissioned in South India (among few capacities in the region). The Company is optimistic of prospects as this market consumes a significant volume of low cost and low quality plywood, which we expect to substitute with our MDF.

Besides, the Company's Andhra Pradesh Plant is a mere 80 kms from the Krishnapatnam port, making the plant relevant for growing an export presence. The Company has responded with speed in exploring this potential: it currently exports MDF products to South Korea, Sri Lanka, Nepal, Bangladesh, Malaysia, Qatar, Vietnam and the Middle East. Going ahead, we expect to generate 60% of our revenues via exports from the Andhra Pradesh unit. The prospects of the plant were reinforced through the imposition of an anti-dumping duty on MDF imports, enhancing our competitiveness.

The Greenpanel advantage
Greenpanel is attractively placed to capitalise on the long-term industry growth for some good reasons.

The Company enjoys a first-mover advantage. The Greenpanel brand is nationally prominent, enjoying a favourable recall across trade partners. The Company's manufacturing facilities are providing customised products (thickness and dimensions), strengthening customer value and the Company's working capital efficiency.

Greenpanel is attractively placed to strengthen sustainability. The power consumption in the Company's manufacturing operations is one of the lowest in the industry, strengthening competitiveness. The Company was among the first to deploy the continuous press technology, helping rationalise production costs.

These realities represent an attractive foundation for the Company to build the business across the foreseeable future.

MDF and India

The Indian MDF market is one of the most attractive in the world.

The price-sensitive segment of the plywood market is now seeking superior quality and showing a greater preference to shift to MDF.

This segment is large, accounting for almost 30% of the country's total plywood market.

MDF is 55% cheaper than premium plywood and 30% than mid-segment plywoods, representing a strong case for product substitution.

The result is that the annual MDF demand in India is growing at 15-18%; the country's plywood sector is growing at 4-6%.

Meanwhile, a transformation in furniture purchase habits is catalysing the growth of India's MDF segment. Pure wood furniture has become expensive, prompting consumers to reduce their consumption of pure wood. This has driven a shift in the demand for readymade furniture, which consumes a larger proportion of MDF. In view of this, we expect that a large proportion of the price-sensitive plywood segment, estimated at ₹5000 crore, would be increasingly substituted by MDF across the foreseeable future.

Financial discipline

Following the demerger, there is a premium on the ability to deepen our market penetration without compromising our Balance Sheet integrity. The Company is attractively placed in this regard: following the demerger, the Company's total debt-to-equity ratio as on 31 March 2019 was 0.85. The Company is repaying its existing debt and is optimistic of achieving a long-term debt-equity ratio of 0.42 by 2021-22.

As a step towards increased financial integrity, the Company will continue to focus on producing a superior product quality, pricing in line with the brand's recall (without excessive discounting) and controlling the receivables cycle within 30 days of turnover equivalent.

The Company will moderate promotional activities and grow the market first, ensuring that products are available on shelves when consumers need them.

Assurance to shareholders

At Greenpanel, we expect that the supply side of the MDF sector should normalise in 24-30 months, assuming no further capacity additions. We are optimistic that a multi-geography presence, riding a strong dealer cum distributor network, should generate robust product offtake.

We are hopeful that by the virtue of being a pure-play MDF player, we are attractively positioned to carve out a disproportionately larger share of a growing market across the foreseeable future.

Shobhan Mittal
Managing Director and CEO

WHY MDF IS THE **FUTURE**

Value: MDF provides superior consumer value – better quality and lower price

Responsible: MDF possesses superior input-output ratio; uses 100% agro-forestry raw material

Colour-friendly: Accepts colours more extensively and completely than wood

Superior: Does not contain knots or kinks that could disturb surface smoothness.

Resistant: Resists some insects; enhances product integrity

Replacement: Can be painted or stained to provide a wood-like appearance in furniture

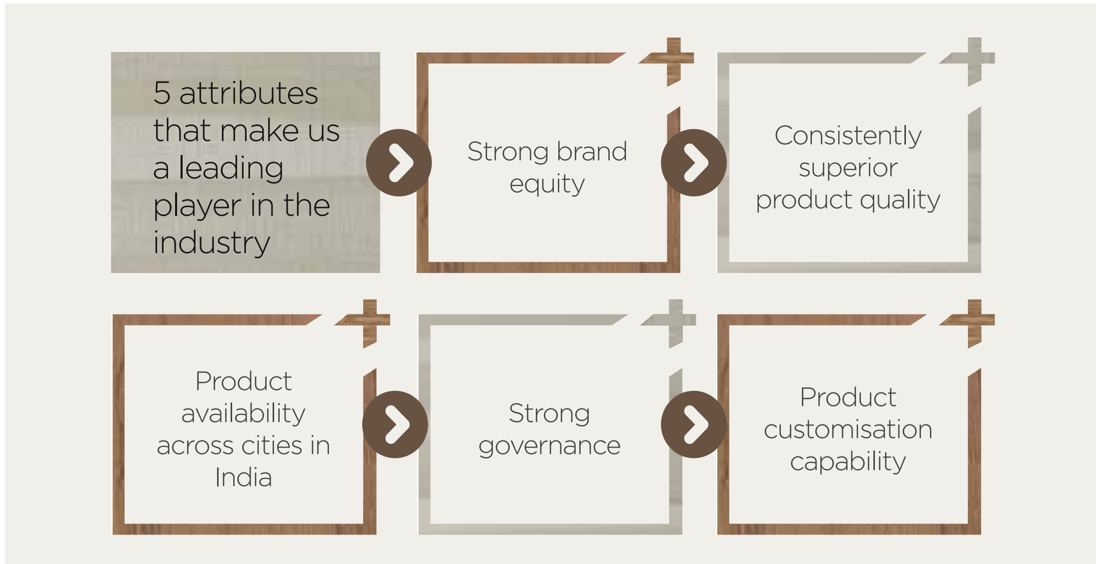
Easier: Can depict carvings easier than wood

Functional: Is accepting of laminates, enhancing resemblance to real wood veneers

Alternative: Solid, dense, flat and stiff MDF is superior to wood

Carpenter-friendly: Absence of grain makes MDF easy to cut and drill without damage

Machinability: Possesses excellent machining character on account of its suitable density



INDIA. MOVING TOWARDS RESPONSIBLE CONSUMPTION

Non-fossil fuel sources will form 65% of the total installed electricity capacity, contributing 48% of gross electricity generation.

By 2030, Morgan Stanley expects shared miles to reach 35% of all the miles traveled in India (increasing to 50% by 2040).

Indians are consuming larger quantities of environmentally responsible cement in home construction

India expects to recycle more PET waste, increasing the use of recycled material in polyester yarn manufacture

India is progressing towards paperless offices; organisational productivity increases 39% when paper is replaced by electronic versions coupled with digitised workflows

Indians are increasingly opting for smart homes; the home automation system market is likely to cross ₹30,000 crore by 2022

About 13 million people could be working out of co-working spaces in India by 2020 *(Source: JLL)*

More Indians are expected to drive electric vehicles with a projected 30% penetration by 2030

India could consume a larger quantity of organic food, this market growing at a CAGR of over 25% during 2016-20

More Indians will buy a larger quantity of MDF owing to a superior price-value proposition, faster delivery and easier workability

GREENPANEL. OUT-PERFORMER

Experience: The Company enjoys more than 9 years of MDF experience, being the first major MDF manufacturer in India

Scale: With 540,000 CBM, the Company possesses the largest MDF manufacturing capacity, generating economies of scale.

Portfolio: The Company offers a wide range of products including pre-laminated MDF and thick cum thin MDFs, making it a one-stop shop for customers.

Brand: The Greenpanel brand enjoys more than 20% share of the Indian MDF market.

Reach: The Company's products are available pan India (at more than 1,250 dealers) backed by 16 marketing offices.

Quality: The Company's investment in cutting-edge technologies has helped enhance product quality and moderate costs.

Green: Greenpanel's MDFs are manufactured using recyclable forest resources, enhancing acceptability in 'green' buildings.

Customised: Greenpanel's manufacturing units provide thick and thin MDF varieties, customised as per client needs.

Proximate: The Andhra Pradesh unit is within 200 kms of two major ports, enhancing export competitiveness.

WHY GROWING MDF DEMAND IS BEING GENERATED IN INDIA

Shrinking apartment sizes are requiring smart space-saving furniture

About 15.6% of the overall urban households in India comprise units accommodating individuals and couples

Urban households have shrunk from 4.85 people in 2005-06 to 4.44 people in 2015-16, needing smaller furniture

There has been growth in the share of nuclear families in rural India

MDF-made furniture is far cheaper and has a better finish than plywood-made furniture

There is a growing need for smart, readymade, branded but low-maintenance furniture

New-age MDF is resistant to termites, fungus and borers, widening applications

Organised furniture accounts for only 14% of the total furniture market in India

Digitally influenced purchases account for 60% sales of furniture in India

THE GREENPANEL BRAND

The Greenpanel brand is one of the most prominent in India's MDF sector

Recall: The Company built around the established recall of 'dependable', 'superior' and 'peace of mind'.

Affordability: The Company strengthened its value proposition through superior quality at attractive prices.

Availability: The Company enhanced its production capacity, resulting in an anytime-any quality product availability.

Accessibility: The Company's products are available in more than 6000 pan-Indian points of sale. The Company's presence in South India has increased responsiveness to demand coming from southern States.

Engagements: The Company engaged with influencers (dealers, carpenters and architects) and participated in exhibitions to enhance awareness.

Longevity: The Company built on its brand longevity across more than a decade, reinforcing trust.

OUR ROAD AHEAD

We are envisaging 30% growth in our dealers

We expect to penetrate into more cities and towns in 2019-20

We intend to widen our OEM coverage, increasing institutional sales

WHAT MAKES THE INDIAN MDF MARKET ATTRACTIVE...

80:20
Split of plywood demand to MDF demand (global 20:80)

65
(%) Proportion of Indian population below 35 years of age

31
Size (USD billion) of furniture market by 2024

100
Size of Indian online shoppers (million)

1.5
Million cubic metres, total MDF manufacturing capacity in India, FY19

8-10
(years) Projected life of furniture fabricated using MDF

5000
Size (₹ cr) of low-end plywood segment substitutable by MDF

25
Size (USD billion) of furniture market in 2018

14
(%) Share of organised furniture market in India

15-18
Annual percentage growth of India's MDF segment

1.8
Million cubic metres, total MDF manufacturing capacity in India (estimated), FY22

4-6
Annual percentage growth of India's plywood segment

20
(%) Projected share of MDF imports in Indian MDF market by FY2023 from 30% presently

GREENPANEL'S OPERATIONS

Greenpanel is India's largest wood panel company with manufacturing plants in North and South India.

The Company manufactures plain and pre-laminated MDF boards; it also produces plywood, doors and veneers to service domestic and international customers.

The plant locations were selected based on, raw material availability, logistical convenience (proximity to ports and consuming markets) and fiscal incentives.

Both manufacturing facilities were invested with fully automated equipment with integrated support services and utilities. The plants integrated forwards to produce pre-laminated MDF boards.

The continuous process line is based on proven European technology marked by technological upgradation, resulting in quality benchmarked with Indian and international standards.

A state-of-the-art quality control laboratory appraises resource and end product quality in addition to multi-stage appraisal.

The result is that the Company's product acceptance was in excess of 99% during the year under review.

Technology used in the manufacturing process

Rudrapur, Uttarakhand	Chittoor, Andhra Pradesh
Dieffenbacher 28-meter for continuous press system	Dieffenbacher machines for forming, pressing and raw-board handling.
Bruks Klockner for front-end wood processing and chipping	GreCon Dieffensor machines for scanning the fibre mat before it is compressed into MDF, to get uniform density panels.
Trasmec for chips storage and conveying.	GreCon Stenograph that uses X-radiation for continuous inline monitoring of raw density of panels.
Metso equipment for refining the fiber	Steinemann sanding machines, for the smoothest finishing.
Sunds MDF Technologies machines fiber drying	Thermax multi-fuel hybrid energy generation plant.
Steinemann 8-head sanding machine.	
Giben equipment for panel sizing.	
Scheuch for dust extraction/fume absorption system.	
Capacity: 180000 CBM	Capacity: 360000 CBM

Production					
2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
189171	180736	130319	-	-	80498

Overall production		
2016-17	2017-18	2018-19
189171	180736	210817

**Figures till 2017-18 represent the pre-merger entity of Greenply Industries*

MANAGEMENT DISCUSSION AND ANALYSIS

Review of the Indian economy

India emerged as the sixth-largest economy, retaining its position as the fastest-growing trillion-dollar economy. However, after growing 7.2% in 2017-18, the Indian economy was expected to grow at 6.8% in 2018-19 as per the third advanced estimates of the Central Statistics Office released in May 2019.

The principal developments during the year under review comprised increased per capita income, decline in national inflation, steadying interest rates and weakened consumer sentiment. The weaker sentiment was on account of a large non-banking financial institution announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment.

As per the World Investment Report 2019, the country attracted USD 42 billion in FDI inflow in 2018. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

Outlook

The Indian economy appears to be headed for sustained sluggishness in 2019-20. Even as a new government is expected to remain pro-investment and pro-business with larger spending on infrastructure building, an economic revival appears some quarters away. Long-term outlook for the country appears to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct itself. *(Source: CSO, Business Standard)*

MDF industry in India

India's furniture market is moving towards ready-made furniture with a growing preference for medium density fibre (MDF) over plywood in line with the global trend. The culture of ready-made furniture is being accepted widely across India, marked by the successful entry of IKEA and related marketing. India's plywood segment is growing at about 4-6% whereas the MDF segment, valued at about ₹1800 crores, is growing between 15 to 18% per annum.

The total MDF manufacturing capacity in India was at around 0.5 million cubic meters (CBM) in FY17. It is likely to touch 1.5 million CBM by the end of FY19 and 1.8 million CBM by FY22.

Of late, there has been an oversupply of MDF and a consequent price erosion in the industry. As normalcy is slowly returning to the industry with prices stabilising, industry players have started regaining confidence about the prospects of the industry.

MDF is witnessing a consistent rise in demand globally as 80% of wood panels consumed are MDF and particle board while plywood makes up only 15–20%. The situation in India is the opposite, with plywood still dominating the market with 80% consumption.

Indian furniture Industry

With a population of 1.5 billion people, India is among seven largest economies. According to CSIL, India is the fourth furniture consuming country and the fifth largest furniture producer globally.

In 2018, the furniture market in India stood at USD 25 billion. In terms of supply, the furniture market in India is classified into segments: domestic and imported. The domestic category accounted for the majority of the country's furniture market in 2018 and the trend is expected to continue in the coming years. The unorganised segment dominates the furniture market in India with its offers of cheaper products.

Outlook

India's furniture market is expected to grow to more than USD 31 billion by 2024, reporting a CAGR of about 7% over the period of 2019-2024. The key factors driving the industry are expected to be robust growth in the real estate sector and hospitality industries. Besides, increasing government investment in infrastructure development and growing luxury and premium

Greenpanel Industries Limited is among the largest MDF and allied products manufacturers in India with a 23% share of the organised market. The Company offers a comprehensive range of panel products, including MDF, wood floors, plywood, block boards, veneers and doors, among others.

furniture demand from certain consumer sections should drive growth. Rising disposable income is influencing expenditure with the potential of enhancing spending on furniture.

Indian wood panel industry

The Indian wood panel industry is projected to be ~₹285 billion in 2018. The industry is largely unorganised owing to low technical know-how and skill. However, this trend is yielding to increased organised trade.

Plywood: Plywood is the most significant wood panel product. The market size for the Indian plywood industry is ~₹18,000 crore. In the last five years, the sector reported a CAGR of 6-7%. The industry is fragmented with ~75% of the market accounted by the unorganised sector. India has always been predominantly plywood-consuming as against the global trend of using MDF or particle board. Growth in the plywood industry is positively correlated with housing sector growth. The growth in replacement market could boost the plywood industry as people graduate to a better standard of living. Currently, the replacement cycle for furniture is estimated to be eight to ten years, but this number is likely to decline to five to seven years, accelerating growth. *(Source: Televisory, IMARC, Ply Reporter)*

Wood panel growth drivers

Increasing income: India's nominal per capita income rose to ₹126,406 in FY2018-19 from ₹114,958 in 2017-18, resulting in increased spending power and higher disposable income.

Increasing urbanisation: India is the second-largest urban with an estimate that 35% of India's population would be living in urban centres by FY20, with the percentage crossing 50% by FY50.

Growing middle-class: India's middle-class population is expected to increase to 58.3 crore by 2025. More than 2.3 crore people (more than the population of Australia today) are expected to constitute the wealthiest section of the population.

Growing nuclearisation: According to the 2011 Census, about 74% households had five or fewer members. The combination of a decline in the average household size and higher disposable income could enhance spending on home interiors.

Real estate revival: The real estate sector in India is expected to grow to US$180 billion by 2020 and US$1 trillion by 2030, accounting for 13% of the country's GDP by 2025 and catalysing the demand for home interior products.

Housing for All: The Pradhan Mantri Awas Yojana intends to provide housing for all by 2022, driving the demand for affordable real estate and furniture.

Tourism and hospitality: By 2030, India is expected to be among the global top five business travel markets. International hotel chains are increasing their presence in the country, expected to account for a ~47% share of the tourism and hospitality sector by 2020 and 50% by 2022. The hotel industry expects room addition to register a 7.9% CAGR over FY17-FY21E, catalysing furniture demand.

Smart Cities: Between January 2016 and January 2018, projects worth ₹33,970 crore were tendered. This amount grew by 270% in a year to ₹126,000 crores by February 2019. Even the number of projects completed increased manifold, showing progress in one year what had not been achieved in the previous two years.

Goods and Service Tax: Following the implementation of the Goods and Services Tax, consumer preference is shifting towards the organised sector.

Company overview

Greenpanel Industries Limited is among the largest MDF and allied products manufacturers in India with a 23% share of the organised market. The Company offers a comprehensive range of panel products, including MDF, wood floors, plywood, block boards, veneers and doors, among others.

Medium density fibreboard

Medium Density Fiberboard (MDF) is engineered wood, manufactured with hardwood fibres, bonded together under high pressure and temperature upto 240 degrees Celsius by synthetic resin and wax. Greenpanel MDF possesses high and uniform density, making it strong, durable and eco-friendly. Greenpanel's board comprises 0% latex with homogeneous construction, making it ideal for polishing and painting on the one hand and resistant to termite, fungus and borer on the other.

MDF Variants

Greenpanel Exterior Grade MDF Boards: Engineered for greater density and strength. Offer uniform thickness and homogeneous structure. Resistant to moisture, termite, borer and fungus. Eco-friendly with low formaldehyde emission.

Greenpanel pre-laminated MDF: Moisture-resistant, scratch-free and easy to maintain. Beautiful and varied with 43 contemporary designs and colours; two distinct finishes (suede and matte) to choose from. Available in Grade I (exterior MDF), Grade II (interior MDF), one-side laminated, both-side laminated, one-side bare and both-side balancing variants.

Wood floors

Greenpanel wood floors: Manufactured for Indian conditions. Offer superior protection against dust, scratches and extreme climates. Produced using Perma Click™ interlocking system technology leaving no floor gaps or dirt in crevices. Can be uninstalled and reused. Max Shield™ scratch-resistant layer protects floors from wear and tear. Sound Sponge™ layer reduces sound transmission. High-density fibre board (HDF) core enhances flooring strength.

Greenpanel laminated floors: Consists of four distinct layers (abrasion-resistant top layer, decorative design layer, 100% hardwood HDF core and moisture-resistant backing layer). Comes with a 10-year warranty on AC3 grade floors suited for residential and low footfall commercial spaces. Greenpanel AC4 grade laminate floors – suitable for offices and malls—come with a 17-year warranty.

Greenpanel veneered floors: Possess the look and feel of natural wood with all advantages of high-density fibre board core. Possess a high tolerance for impact, humidity and temperature changes. Possess a UV-cured lacquer coating to protect from scratches and stains. Come with a ten-year warranty. Available in three categories (Classic, Premium and Elite).

Greenpanel plywood

Greenpanel BWP grade blockboard: Possesses density of 0.50 gm/cc. Offers structural stability and strength with excellent screw-holding capacity. Boiling water-proof and eco-friendly.

Greenpanel veneers

Offers an exclusive range of unique and exotic designs. Each veneer assembled and designed to enhance beauty. Veneer face imported from all over the globe. Principal features comprise joint-less decorative sheets, no undulation after polishing because of defect-free smooth surface base ply, no gap or overlap of decorative veneer in the surface layer and no chip-off on cutting. Pre-finished with little carpentry needed before polishing. Suitable for use in interiors, including high-humidity areas. Eco-friendly with low formaldehyde emission. Offers unlimited variety; comes in three product ranges: Teak Veneer, Natural Wood Veneer and Spectrum Wood Veneer.

Greenpanel Doors

Possess high dimensional accuracy and stability (even in varying humidity). Core comprises Quadra Pro Technology and thick glue. Solid wood filler gives the doors superior screw-holding capacity, Makes them resistant to shock and buckling. Doors have wide frames; feature rails and stiles are made with imported wood. Can be customised; different types of vision and louvers can be added; provisions can be made for special locks and hinges. Groovings on door surface can be made as per specifications. Additional rails and stiles can be added for a long handle, tower bolt and door stopper. Doors are available with decorative veneered surface in horizontal or vertical grain.

Financial analysis

The financial statements of the Company were prepared in accordance with Indian Account Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The figures for the financial year ended 31st March 2019 have been prepared post giving effect to the Scheme of Arrangement as approved by the National Company Law Tribunal and hence are not comparable to the figures for the financial year ended 31st March 2018.

Information technology

At Greenpanel we believe that IT can be a key business differentiator for us. Keeping this in mind, the Company has been investing significantly in information technology.

Greenpanel uses SAP HANA platform to get real-time data analysis.

Greenpanel implemented business intelligence tools to help analyse data and create data visibility for informed decision making

Greenpanel is using DLP (data leakage prevention) to secure its data from competitors.

Greenpanel rolled out CRM for its field force to enable them to record their accounts, leads, projects which help them to plan and create daily call report.

Greenpanel is in the process of implementing SD-WAN (software defined wide area network) in order to reduce network downtime.

Human resources

Greenpanel's human resource practices helped reinforce market leadership. The Company invests in formal and informal training as well as on-the-job learning. It emphasises engagements with employees by providing an enriched workplace, challenging job profile and ongoing dialogue. The Company enjoys one of the highest employee retention rates in the industry; it creates leaders within the organisation, strengthening prospects. As on 31st March 2019, the Company's employee base stood at 1619.

Internal control systems and their adequacy

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

RISK MANAGEMENT

The risk management process is aimed at ensuring that management takes risk-informed decisions, with adequate consideration of actual and prospective risks, including medium and long term ones, within the framework of a comprehensive vision.

Greenpanel's risk management policy helps to strengthen all management levels and functional and project areas that help the management to evaluate the risk and mitigate it to achieve corporate targets and value.

Key risk and explanation	Risk mitigation
Economic risk A downturn in the economy could impact the Company's growth	India is one of the fastest growing economies in the world and expected to emerge as a US$5 trillion economy within the next five years from about US$2.8 trillion economy today
Industry risk A slowdown in the downstream industry could dampen offtake for the Company	• The Indian furniture industry is expected to emerge as a US$31 billion industry by 2024 from US$25 billion in 2018 • The government's focus on affordable housing is driving real estate demand in India, which, in turn, is expected to drive the growth of the furniture industry • Increasing disposable income, growing commercial real estate sector, changes in lifestyle and growth of the organised furniture industry are expected to drive the demand for MDF in India
Competition risk Increased competition could impact profitability	• There has been an oversupply in the industry due to a number of players setting up capacities. However, the industry is growing in strong double-digits and realisations are stabilising • Greenpanel holds a 23% market share in India's MDF market • The MDF industry is entirely organised • The Company has invested in technologies and equipment to enable optimum utilisation of resources and reduce production costs
Quality risk Inferior product quality may have lasting dent on the brand	• The Company invested in cutting-edge technologies and superior equipment to produce best-in-class products • The products meet quality standards such as CE, FSC (COC), IGBC and BIS
Marketing risk The Company may not be able to market its products effectively, impacting product offtake	• The Company is judiciously investing in brand building exercises to drive brand visibility • Created strong digital media footprint to drive offtake • The Company's products are available in more than 6000 retail points across 1250 dealers in a pan-India network
Raw material risk Inability to procure raw materials at right price and quantity could impact operation	• The Company's manufacturing units are located close to raw material sources • It maintains sufficient inventory of key raw materials and is adding new vendors to diversify the vendor base
Funding risk The Company may not be able to procure adequate funds at competitive cost	• The Company's average debt cost stood at 5.71% in 2018-19 • The Company has a consortium of four banks providing working capital facilities • With a debt-equity of 0.85 in 2018-19, the Company is comfortably positioned to raise additional debt

The Greenpanel sustainability report

Overview on sustainability

A growing number of global manufacturers are realising substantial financial and environmental benefits from responsible business practices. Besides, stringent environmental norms regulating manufacturers are helping reduce resource depletion, water scarcity, pollution and other harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacture. This comprises the manufacture of products through economically sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

The United Nations' sustainability principles

The United Nations has drawn up 10 principles for manufacturing responsibility and environmental sustainability.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

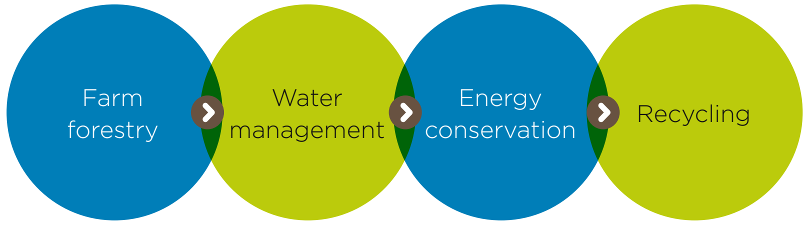
Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our integrated environment initiatives



Greenpanel's sustainability focus

Greenpanel's long-term goal is to create an operational model woven around sustainability – environmental and economical.

The Company has focused on the reduction of its environmental footprint, planet preservation and moderated resource consumption through a proactive investment in the use of modern tools, practices, methodologies and standards.

Greenpanel has taken the saying 'Think global and act local' and turned it around. The Company's sustainability policy is to 'Think local and act global'. Greenpanel's model has taken local factors into consideration comprising farmers, plantations and a zero-harm vicinity.

Greenpanel commenced operations at its Andhra Pradesh facility in July 2018, three months ahead of schedule. This 360,000 CBM plant is the largest and the most modern plant in India, fitted with state-of-the-art European automated technology. The plant is located 90 kms from the Krishnapattanam port, making it convenient to procure raw materials and export finished products. The plant is Gold standard-certified by Indian Green Building Council.

The other plant of the Company is located in Pantnagar in the State of Uttarakhand. This plant was commissioned in 2005; MDF manufacturing started in 2010. The plant produces plywood and MDF. The plywood business services a pan-India network while MDF is primarily distributed in North India.

Our primary goal

At Greenpanel, we intend to create a sustainable operating system, comprising cost optimisation, environment sustainability and employment generation.

Our engagement

At Greenpanel, we believe that the interplay of farm forestry, water management, energy conservation and recycling has reinforced our position as a responsible MDF manufacturer. During the last few years, the Company made proactive investments in these areas with the objective to moderate its carbon footprint and cost structure, strengthening long-term sustainability.

Initiative#1

Our farm forestry programme

Global overview

Agriculture, forestry and other land uses — AFOLU — represent a major source of greenhouse gas emissions. Even as the conversion of forests into agricultural land generates large amounts of greenhouse gases, sustainable forest and land management practices can help those ecosystems retain and store significant carbon quantities. While emissions from deforestation and forest degradation, which make up about 12% of total global emissions today, are declining, agricultural emissions are projected to grow from 12% of the global total through 2030, catalysed by population growth and changes in dietary preferences in developing economies.

According to the Intergovernmental Panel on Climate Change (IPCC) AFOLU accounted for 24% of the total anthropic emissions in 2010, including 11% from forestry and other land uses. Through more sustainable use of lands and forests, along with the adoption of climate-smart agriculture techniques, it may be possible to balance the needs of people with that of the environment *(Source: Global Environment Facility).*

Indian overview

Farm forestry was promoted in India in the late 1970s to produce fuelwood for rural consumption. This program was successful in the green revolution regions of the early 1980s as farmers produced wood for markets and addressed local needs. This market orientation of farmers was recognised in the new National Forest Policy of 1988. *(Source: JStor)*

12.4
Million acres – commercial forest cover in the world *(Source: Science Mag)*

₹1,562.62 cr.
Loan sanctioned by the Government of India for Farm Forestry programmes *(Source: NABARD)*

Commercial eucalyptus plantation

India is a wood-fibre deficient country. Inadequate raw material availability is a major constraint for sectors that depend on wood as their principal raw material, affecting their competitiveness.

Over the last two decades, State Forest Development Corporations worked with farmers to create a sustained wood resource base of more than three million hectares of plantations under agro / farm forestry. About 70% of these plantations comprise eucalyptus.

The result was genetic improvement and development of productive disease-resistant clones, which quadrupled eucalyptus plantation productivity, making it viable for farmers in terms of competitive land use. Around 150,000 hectares of eucalyptus plantation are raised annually, creating around 70 million person-days of rural employment.

Centre for Science and Environment indicates that eucalyptus plantation yields more net income annually to farmers than almost 60-70% of agriculture crops. Eucalyptus plantation water use has been found to be 785 litres/kg of total biomass, one of the lowest when compared with tree species like Acacia (1,323 litres/kg), Dalbergia (1,484 litres/kg) and crops like paddy rice (2,000 litres/kg) and cotton (3,200 litres/kg).

At Greenpanel, farm forestry represents the foundation of our environment responsibility. Farm forestry refers to the plantation of trees on farm land in the vicinity of the Company's manufacturing facilities with the objective to generate a sustainable pipeline of saleable products like timber, oil, tannin, charcoal and carbon credits.

The larger the quantum generated by farmers, the more sustainable the business model of the Company, reducing its dependence on the need to buy from the open market.

Greenpanel's farm forestry approach augments sustainable livelihood for small and marginal farmers and resource self-sufficiency for the Company, a win-win proposition.

The farm forestry programme is expected to increase farmer incomes, reduce the Company's inward resource logistical costs and enhance assuredness of resource supply.

The win-win arrangement – across farmers, company and the environment – makes responsible farm forestry critical to the Company's long-term sustainability.

Salient features

- Extensive plantations on fallow, marginal and degraded farm lands (approximately 280 hectares)
- Directed to achieve raw material self-sufficiency for the Company and improved socio-economic status for small and marginal farmers.
- Focus on increasing productivity per unit area through improved farm forestry techniques and regulated distribution of improved sapling species (413, 316 and 7) at the lowest possible cost coupled with better management of available site resources.
- Enhance Greenpanel visibility and trust in villages proximate to the plant, encouraging farmers to dedicate their fallow land for eucalyptus plantation.
- Provide sustained technical know-how to farmers from planting to post harvest stage. Establishment of demonstration plots and periodic engagement with farmers by field supervisors, ensuring guidance across the production life cycle
- Provide clonal sapling species through a prudent selection of elite parental trees with desirable characters (fast and uniform growth, higher yield, disease-, pest-resistant and drought-tolerant varieties.

- Target a yield of 30 to 40 tons per acre from clonal saplings (influenced by soil and post-planting variables).
- Enhance farmer incomes in a sustainable way, transforming their mindsets and destinies (indicative yield of ₹40,000 to ₹60,000 per acre compared with ₹50,000 per acre for paddy, for two rounds of harvesting per year).

Highlights, 2018-19

The Company distributed about 5.04 lac saplings during the year

The Company covered 130 hectares during the year (eucalyptus plantation) under the farm forestry scheme and the vision for 2019 is to develop and distribute 10 lac clonal saplings within 100 km radius of the unit.

Saplings distributed (lacs)

4.24 in 2017-18

5.04 in 2018-19

10 in 2019-20E

Incomes

25,000 – 30,000
Income (₹) generated from the cultivation of paddy per acre in and around Srikalahasti in one round of cultivation

40,000
Income (₹) generated from the cultivation of plantation wood per acre in and around Srikalahasti

Proximate wood access

90
% of the Company's plantation procurement at the AP plant from within 100 km radius, 2018-19

100
% of the Company's plantation procurement at the AP plant from within 100 km radius, 2022-23 (estimated)

Farmers engaged with

39
Plantation year 2017

46
Plantation year 2018

Area covered (acres)

366
Plantation year 2017

328
Plantation year 2018

Initiative#2

Water management

Global overview

Water crises across the globe are becoming common.

With limited water resources, access to fresh water is rapidly shrinking, making it imperative to protect the entire ecosystem. One of the most effective ways to tackle this water scarcity is to harvest excess rainwater, which would otherwise be washed away.

Governments and environmental organisations are working on different plans of action to prevent further deterioration of the planet. Several subsidised programmes and incentive schemes have been implemented to encourage rainwater harvesting systems. This has also stimulated the demand for rainwater harvesting and this application is expected to grow at a considerable scale across different end-users in the coming years.

Indian overview

Rainwater harvesting has a special relevance in India where a majority of the rainwater is lost in flash floods, while a number of streams remain dry for most part of the year. Check dams, recharge shafts, dugwell recharge, subsurface dykes and rooftop urban rainwater harvesting can redeem groundwater shortage.

Water-intensive industrial units in the country can also use the resources available to them to harvest rainwater to create a sustainable manufacturing model – economically and environmentally.

Rooftop rainwater harvesting systems are now mandatory for every large manufacturing unit in almost all of India's 28 States and nine federally administered Union Territories. The Indian government's efforts to improve residential infrastructure played a vital role in supporting the growth of rainwater harvesting. *(Source: Business Wire, Science Direct)*

Greenpanel and responsible water handling

In the business of MDF manufacture, water harvesting plays an important role in enhancing business sustainability.

At Greenpanel, water consumption is around 0.5 KL/ m^3 of MDF board, largely for cooling, washing and neutralising acid traces.

What makes water management critical is that surface water availability through the proximate TGP Canal is limited to 3-4 months, making it imperative to invest in the creation of water storage ponds that facilitate uninterrupted operations round the year.

Besides, the Company believes that in a water-stressed world, it is necessary to moderate consumption and recharge the groundwater so that there is adequate water available for the neighbouring community, flora and fauna.

In line with this conviction, the Company embarked on a number of water conservation initiatives at its MDF plant in Andhra Pradesh.

Initiatives

- Commenced rainwater harvesting from the time the Company went into commercial production in July 2018
- Outlined its commitment with an investment of ₹3 crores in rainwater harvesting capacity (80,000 m3) sufficing for nearly six months of operations (additional 50,000 m3 capacity being constructed)
- The project has provided massive rain water harvesting tanks (ponds) to collect the runoff generated at the site / roof tops
- The ponds created by the Company to store water serve the dual purpose of a storage tank for collecting the overflow from the TGP Canal and rain water harvesting structure
- The stored rainwater is utilised in plant operations following treatment in a water treatment facility
- The Company's Zero Liquid Discharge system maximises wastewater reuse (following treatment)

Water recycling

30
% of the Company's water consumption that was derived from water recycling, 2018-19

35
% of the Company's water consumption that is likely to be derived from water recycling, 2019-20E

Self-sufficiency

6
Months of water storage capacity based on existing consumption norms, 2018-19

7
Months of water storage capacity based on existing consumption norms, 2019-20E

Low flow plumbing fixtures
Enhance water savings by more than 30% compared to the Green building baseline

Irrigation system
Optimise water use in landscape irrigation

Central shut off valve
Device to regulate pressure

Drip irrigation systems
Moderates water use; enhances plant growth efficiency

Initiative#3

Energy conservation

Global overview

Industrial emissions are responsible for around 38% of global total final energy use. By implementing cost-effective energy efficiency opportunities available in the present-day scenario, industries could produce nearly twice as much value per unit of energy use in 2040, compared to current levels – leading to holistic and sustainable production process.

The Efficient World Scenario (EWS) identifies the potential for industry to produce nearly twice as much value per unit of energy use in 2040, compared to the current levels. Overall manufacturing energy intensity could improve 44% between now and 2040 with 70% of the energy savings potential in less energy-intensive manufacturing sectors *(Source : ISA).*

Indian overview

The industrial sector consumes about 50% of the total commercial energy available in India. The Indian industrial sector is energy-intensive; efficiency is below most industrialised countries.

There is considerable scope for improving energy efficiency in industries dealing with iron and steel, chemicals, cement, pulp and paper, fertilisers, textiles, etc. If such industries can promote energy conservation, it could lead to a substantial reduction in their costs of production.

Potential conservation initiatives

- Waste heat recovery systems, co-generation, and the utilisation of alternative sources of energy
- Technology, upgradation, modernisation and the introduction of control instrumentation are necessary to realise the full potential of energy conservation by industries
- The Indian government has introduced fiscal incentives such as a reduction in import duty on specific items. Tax benefits have been given to energy-saving devices and systems in the industrial sector such as cogeneration systems, power factor-correcting devices and specialised boilers and furnaces

(Sourcce : Edugreen)

Greenpanel and energy conservation

In the business of MDF manufacture, energy conservation helps moderate carbon footprint on the one hand and enhances operational competitiveness on the other.

During the last few years, the Company invested in cutting-edge technologies to moderate energy consumption and enhanced awareness programs to moderated wastage.

Initiatives

Energy performance: The Company invested in energy conservation technologies like energy-efficient chillers, capacitor banks (to maintain the power factor) and DGUs, making it possible to achieve energy savings of around 34% when compared with the Green Building baseline.

Energy metering: The Company installed energy meters to monitor consumption parameters and identify improvement opportunities.

Daylight savings: The Company designed the shop floor using natural skylights, moderating the use of artificial lighting during the day.

Modern alternatives: The Company invested in LED fixtures across the entire plant, moderating the use of energy by 10-15% over conventional lighting equivalents.

Process improvement: Reduction of energy in every stage of manufacturing process with continuous improvement.

Renewable energy: The energy plant consumed the plant's biomass waste to generate energy, moderating costs and carbon footprint.

Responsible waste disposal: The Company installed separate bins to collect, store and segregate different waste types for responsible re-processing / recycling.

Supplier preference: The Company engaged suppliers with environmentally sound practices (melamine powder from GSFC for resin manufacture; paraffin wax from Indian Oil Corporation)

Consumption metrics

320
Energy consumption (kwH) per cubic metre of MDF, 2018-19

Initiative#4

Recycling discipline

Global overview

Industrial waste constitutes approximately 50% share of the overall waste generated across the globe. Rapid industrialisation and population growth are expected to increase industrial waste generation.

Hazardous industrial waste constitutes less than 4% share of the global industrial waste market. However, collection, treatment and disposal costs of hazardous industrial waste are 10 times higher than non-hazardous industrial waste.

Countries in Europe and North America have enacted stringent regulations pertaining to collection, recycling, landfill and incineration of industrial waste. Countries and sub-regions in Asia, especially India, China, and ASEAN, are beginning to shift toward sustainable industrial waste management. *(Source : Transparency Market Research)*

Indian overview

Presently in India, about 960 million tonnes of solid waste is being generated annually as by-products during industrial, mining, municipal, agricultural and other processes. Of this, 350 million tonnes comprise organic waste from agricultural sources; 290 million tonnes comprise inorganic industrial and mining waste and 4.5 million tonnes are hazardous. This places a premium on responsible manufacturers to moderate carbon footprint by undertaking efficient waste management systems and re-cycling. *(Source: EAI)*

Greenpanel's initiatives

In the business of MDF manufacture, a recycling discipline enhances operational integrity, moderates production costs, reduces the need for waste disposal and reduces the carbon footprint.

Greenpanel invested in various initiatives to moderate wastage, increase recycling and reduce emissions.

The Company invested in an energy plant and Continuous Press technology to eliminate emissions. The gases generated in the energy plant operations are utilised in MDF board manufacture, passing them through the ESP and dryer, eliminating emissions. The hot gases and vapors generated from the press are scrubbed in the wet scrubber, effectively neutralising them.

The result of the various initiatives comprised emission levels well within the limits stipulated by the pollution control board and no impact on flora and fauna of the surrounding areas.

Recycling initiatives

- Plant waste generated from the manufacturing process is used as fuel in the energy plant for producing hot gas, steam and hot oil.
- Effluents generated are treated in the treatment plant and STP; treated water is re-used.
- Separate bins to collect different waste types, stored in a central scrap yard and disposed through sale to authorised re-processors / recyclers.

Forward-looking investments in technologies

- Investment in ESP to minimise flue gas emission from the boiler and use of flue gas in the dryer from Thermax
- Investment in wet scrubber to address Press Exhaust Gas by Dieffenbacher.
- Investment in dust extraction system (pneumatic system) by Dieffenbacher
- Investment in waste water treatment through integrated effluent treatment plant (zero liquid discharge)
- Investment in a sewerage treatment plant

Our cutting-edge technology providers

Dieffenbacher: Based in Eppingen, Germany. World-renowned manufacturer of complete turnkey production lines for wood-based panels, including particleboard, MDF, OSB and LVL board. Helps global companies equip their manufacturing plants and modernise existing plants to improve efficiency. More than 1,000 multi-opening and continuous press lines and systems have been installed by Dieffenbacher worldwide.

Thermax: Headquartered in Pune, India. Provides integrated innovative solution in the areas of heating, cooling, power, water and waste management, air pollution control and chemicals. Presence spans 86 countries (Asia Pacific, Africa and the Middle East, CIS countries, Europe, USA and South America). Specialises in environment-friendly and energy cum water-efficient technologies. One of the few Indian companies to have sourced supercritical technology to build boilers for mega power plants. Harnesses solar energy to support clients in their heating, cooling and power generation requirements.

Greenpanel's 5S model

Greenpanel is engaged in continuous improvement of operational efficiency, pursuing the best global practices. The Company initiated 5S at its Andhra Pradesh plant in December 2018.

5S is focused on creating a clean and safe working environment in the unit, reducing accidents / incidents and enhancing employee morale. 5S helps in reducing equipment breakdown while improving productivity and quality.

"Within six months of 5S implementation, Greenpanel realised benefits comprising improved quality and equipment downtime reduction. Greenpanel is seeing increased employee participation across various initiatives."

– Suresh Narasimhulu (Vice President, Projects)

Our culture

Greenpanel believes in instilling the ethos of sustainable manufacture. It strives to create a culture of ownership in every employee, empowering them to take voluntary initiatives in strengthening manufacturing process safety and integrity.

Culture-strengthening initiatives

All Greenpanel employees take a daily oath, reinforcing their commitment to Safety, Environment and Health.	Mandatory safety training for new employees; periodic training for existing employees	Engagement of a 5S (sort out /set in order / shine / standardise/ sustain) consultant to train employees in housekeeping practices	Housekeeping team to enhance plant clean cleanliness and hygiene at par with international facilities	Focus on the health and safety initiatives of those working at the plant and those within a few kms of the plant.

The daily oath taken by all our workers

"We, the members of Greenpanel Family, pledge that we will work as one team in a disciplined manner to achieve company's goals by improving productivity and quality, in a cost-effective way by following all safety requirements and protecting the environment. We will maintain the machines and factory floor clean and will follow the Industry best practices to make our company, a world-class facility. We will work towards achieving customer delight through total employee involvement and continuous improvement."

What we expect to achieve in 2019-20	Significantly increase plant utilisation	Complete the procurement of raw material from local growers.	Research and develop better clonal sapling species.
Plant at least 10 lacs saplings	Create an eco-system wherein Greenpanel becomes a household name in neighbouring villages.	Increase profits increase by producing the best product quality in an environmentally sustainable way.	Be recognised globally for sustainability practices.

How Greenpanel is making a **difference in the lives of people**

"I live with my wife and two children in a village in Srikalahasti. Of my six acres, only two acres are suitable for paddy, the rest remaining fallow. A sir came from the Greenpanel factory to our village and told us about how much we can earn by growing eucalyptus. I gave it a try. It will take four years for the first harvest but I am waiting eagerly. This could transform our destinies." Muthu, Farmer

"Our objective is for farmers to generate a steady income source, because plantation wood demand will always be there. We can always draw wood from near Hyderabad, which has a number of eucalyptus plantations. *Lekin phir humare yahaan ka kisaan kya khaayega*?"

Ashok Parekh. Chief Executive Engineer - Project Design

"I used to work in a factory in Uttar Pradesh. The factory was not as clean and pleasant like Greenpanel's. Here everything is first-class."

Suresh, Chipper Operator

Directors' Report

Dear members

Your Directors have pleasure in presenting their 2nd Annual Report on the business and operations of the Company along with the Audited Accounts of the Company for the Financial Year ended March 31, 2019.

Financial highlights

The financial performance of your Company, for the year ended March 31, 2019 is summarized below:

₹ in Lacs

Particulars	2018-19 Standalone	2018-19 Consolidated	2017-18 Standalone	2017-18 Consolidated
Revenue from Operations	58731.41	59911.39	-	-
Profit before finance charges, Tax, Depreciation/Amortization (PBITDA)	9616.51	9005.03	(5.19)	(5.19)
Less: Finance Charges	2391.15	2463.24	-	-
Profit before Depreciation/Amortization (PBTDA)	7225.36	6541.79	(5.19)	(5.19)
Less: Depreciation	5031.60	5303.34	-	-
Net Profit before Taxation (PBT)	2193.76	1238.45	(5.19)	(5.19)
Provision for taxation	2218.99	2218.99	-	-
Profit/(Loss) after Taxation (PAT)	4412.75	3457.44	(5.19)	(5.19)
Balance brought forward from earlier year	(5.19)	(5.19)	-	-
Balance carried to Balance Sheet	4407.56	3452.25	(5.19)	(5.19)

Result of operations and the state of Company's affairs

During the year under review, your Company has achieved revenue of ₹58,731.41 Lacs. Profit for the year 2018-19 was ₹4412.75 Lacs.

Exports during the year 2018-19 was ₹5,701.51 Lacs. Your Company is continuously trying to locate new export markets for its products and see good potential for growth in the exports business. As per the consolidated financial statements, the revenue from operations and profit for the year 2018-19 were ₹59,911.39 Lacs and ₹3457.44 Lacs respectively.

Your Company is the preferred partner of choice for a large number of offices and home builders, having a comprehensive product portfolio servicing clients at every point of the price spectrum. Your Company continues to retain and reinforce its market share under organised sector with a pan-India distribution network comprising of distributors/dealers and retailers. Your Company is present across different price points to cater to the needs of all customers across the high-end, mid-market and value-for-money segments. The Company's pan-India distribution network ensures easy availability of products in almost every part of India.

Outlook and expansion

The Company's outlook remains favourable on account of its product integration capabilities, increasing brand visibility and the continuous support from its stakeholders. Wood panel market is one of the major verticals of the interior infrastructure, comprising materials used in building furniture. Such materials include plywood, engineered wood panels and decorative surface products. Your Company is currently operating primarily in the structural sphere of interior infrastructure domain with almost all the products in its basket catering to the structural needs of the customers. The demand for readymade furniture, manufactured with engineered panels like medium density fibreboards (MDF), is growing. The real estate industry is one of the most significant growth drivers for the plywood sector. Your company is also focusing on the value added products in order to improve margins.

An increasing shift towards the organised sector is foreseen in the industry. Growing customer awareness, brand consciousness and a plethora of choices at the disposal of consumers is encouraging product innovation and quality focus from the organised players. However, high price differentiation between the unorganised and organised segment persists. The industry is hopeful that the implementation of GST will bridge this price gap and lead to formalisation of the industry.

Indian furniture industry is one of the world's largest furniture markets. It is primarily driven by a substantial middle-class population, rapid urbanisation, favourable demographics, increasing per capita income and growing nuclear families. This will encourage strong demand growth for plywood, MDF and allied products. Reconstituted wood products, such as plywood, board and medium density fibreboards are likely to be used increasingly by consumers, real estate developers, furniture makers, railways and defence, are among others users. Innovations and use of technology shall help the wood industry to grow profitably, and leverage opportunities

in the future.

Going forward, there is an increasing shift being witnessed towards the organised sector owing to brand and quality awareness. With wider choice, product innovation and warranty, being offered by organised players, customers are putting more focus on this segment.

The Company has commissioned new MDF manufacturing unit in Routhu Suramala, Chittoor, Andhra Pradesh having an annual installed capacity of 3,60,000 CBM during the year under review. With this addition, total MDF manufacturing capacity of the Company has become 5,40,000 CBM per annum.

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

Composite Scheme of Arrangement

During the current year, approval of the Hon'ble National Company Law Tribunal (NCLT), Guwahati Bench was received on June 28, 2019 to the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited and their respective shareholders and creditors for demerger of the Transferred Business/Demerged Undertaking (as defined in the Scheme) of Greenply Industries Limited into Greenpanel Industries Limited with effect from the Appointed Date i.e. April 1, 2018. The said Scheme has become effective upon filing of copy of the Order of NCLT, Guwahati Bench, with concerned Registrar of Companies on July 1, 2019. In consideration of the demerger and transfer of the Demerged Undertaking, the Board of Directors of the Company issued and allotted 12,26,27,395 Equity Shares of Re. 1/- each to the shareholders of Greenply Industries Limited as of 15.07.2019 (record date) in the ratio of 1 (One) equity share of Re. 1.00 (Rupee One only) each in Greenpanel Industries Limited, credited as fully paid up for every 1 (One) equity share of Re. 1.00 (Rupee One only) each held by them in Greenply Industries Limited. The equity shares issued and allotted by Greenpanel Industries Limited pursuant to the Scheme are pending to be listed with BSE Limited and National Stock Exchange of India Limited.

Subsidiaries and Joint Venture

Presently, your Company has one overseas wholly owned subsidiary viz. Greenpanel Singapore Pte. Ltd., Singapore, engaged in the business of trading and marketing of panel products, wooden flooring & allied products.

Change(s) in the nature of business

There has been no change in the nature of business of the Company.

Consolidated financial statements

For the period under review, the Company has consolidated the financial statements of its wholly owned subsidiary viz. Greenpanel Singapore Pte. Ltd., Singapore. In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.greenpanel.com. Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company has also been placed on the website of the Company, www.greenpanel.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary at the Company's registered office. Pursuant to Section 129(3) of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, A statement containing salient features of the financial statements of subsidiary in form AOC -1 is annexed to this Report.

Credit Rating

Considering the Composite Scheme of Arrangement between Greenply Industries Limited and Greenpanel Industries Limited credit rating will be obtained in due course of time.

Dividend

To conserve the resources of the Company, the Board has not recommended any dividend for the financial year 2018-19.

Transfer to Reserves

Your Directors does not propose to transfer any amount to General Reserve.

Share Capital

Pursuant to the Composite Scheme of Arrangement the Company has cancelled its pre-demerger paid up share capital of 10,00,000 equity shares of ₹1 (one) each. Further, the Board of Directors of the Company at their meeting held on July 19, 2019 issued and allotted 12,26,27,395 Equity Shares of Re. 1/- each to the shareholders of Greenply Industries Limited as of 15.07.2019 (record date) in the ratio of 1 (One) equity share of Re. 1.00 (Rupee One only) each in Greenpanel Industries Limited, credited as fully paid up for every 1 (One) equity share of Re. 1.00 (Rupee One only) each held by them in Greenply Industries Limited. The said shares shall remain frozen in the Depositories System till listing/trading permission is given by the said Stock Exchanges. Further the shares allotted in physical mode cannot be transferred till listing/trading permission is given by the stock exchanges. The Company is taking necessary action for listing the equity shares allotted pursuant to the said scheme with BSE Limited and National Stock Exchange of India Limited. The date of listing of the said shares shall be intimated by the Stock Exchanges through circular placed on their websites

Directors and Key Managerial Personnel

Mr. Shiv Prakash Mittal [DIN: 00237242] has been appointed as an Executive Chairman of the Company with effect from July 19, 2019 to June 30, 2024 subject to approval of the members at the ensuing Annual General Meeting.

Mr. Shobhan Mittal [DIN: 00347517] has been appointed as Managing Director & CEO of the Company from July 19, 2019 to June 30, 2024 subject to approval of the members at the ensuing Annual General Meeting.

Mr. Mahesh Kumar Jiwrajka [DIN: 07657748] has been appointed as an Independent Director of the company for a period of 5 consecutive years with effect from 6th August 2018 to 5th August 2023.

Mr. Salil Kumar Bhandari [DIN: 00017566] has been appointed as an Independent Director of the company for a period of 5 consecutive years with effect from 6th August 2018 to 5th August 2023.

Ms. Sushmita Singha [DIN: 02284266] has been appointed as an Independent Director of the company for a period of 5 consecutive years with effect from 6th August 2018 to 5th August 2023.

Mr. Vishwanathan Venkatramani has been appointed as Chief

Financial Officer of the Company with effect from July 19, 2019.

Mr. Banibrata Desarkar has been appointed as Company Secretary of the Company with effect from July 19, 2019.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shiv Prakash Mittal [DIN: 00237242] Executive Chairman, will retire by rotation at the ensuing Annual General Meeting and is being eligible offers himself for re- appointment.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

Declaration by Independent directors

The Independent Directors of the Company have given their declarations to the Company that they meet the criteria of independence as provided in Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Listing Regulations.

Meetings of the Board of Directors

Five (5) Board Meetings were held during the financial year ended 31st March 2019.

The details of the Board Meetings with regard to their dates and attendance of each of the Directors are as follows:

SL NO.	DATE OF BOARD MEETING	DIRECTORS PRESENT
1.	07.05.2018	1. Mr. Shiv Prakash Mittal 2. Mr. Rajesh Mittal
2.	30.05.2018	1. Mr. Shiv Prakash Mittal 2. Mr. Rajesh Mittal
3.	06.08.2018	1. Mr. Shiv Prakash Mittal 2. Mr. Rajesh Mittal
4.	03.12.2018	1. Mr. Shiv Prakash Mittal 2. Mr. Rajesh Mittal 3. Mr. Mahesh Kumar Jiwrajka
5.	19.01.2019	1. Mr. Shiv Prakash Mittal 2. Mr. Shobhan Mittal 3. Mr. Mahesh Kumar Jiwrajka 4. Mr. Salil Kumar Bhandari 5. Ms. Sushmita Singha

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and other applicable provisions, the Independent Directors in their meeting held on January 19, 2019 have evaluated the performance of Non-Independent Directors of the Company, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole. The criteria for evaluation are outlined below:

a. For Independent Directors:
- Knowledge and Skills
- Professional conduct
- Duties, role and functions
- Rendering independent and unbiased opinion and judgements
- Attendance and active participation in meetings of Board
- Assistance in implementing corporate governance practices
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Study of agenda in depth prior to Meeting
- Contribution towards the formulation and implementation of strategy for achieving the goals of the Company

b. For Non-Executive Directors:
- Performance as Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Professional Conduct and Integrity
- Sharing of Information with the Board
- Attendance and active participation in the Board Meetings and Meetings of Members of the Company
- Whether difference of opinion was voiced in the meeting
- Assistance in implementing corporate governance practices
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Ensures implementation of decisions of the Board
- Ensures compliance with applicable legal and regulatory requirements
- Alignment of Company's resources and budgets to the implementation of the organization's strategic plan
- Creativity and innovations in creating new products
- Understanding of the business and products of the Company

c. For Board of Directors as a whole:
- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution to ensuring robust and effective risk management
- Composition of the board appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged
- Communication with employees and others
- Updating with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters

Statutory Auditors and their report

The Shareholders of the Company at their 1st Annual General Meeting held on 28.08.2018, approved appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 000756N) as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 1st Annual General Meeting, until the conclusion of the 6th Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Statutory Audit Report and hence, no explanation or comments of the Board is required in this matter.

Cost Auditors

During the year under review, cost audit was not applicable to the Company.

Internal Auditor

The Company was not required to appoint Internal Auditor for the year ended 31st March 2019. However, the Board of Directors at their meeting held on 19th July 2019 has appointed Mr. Chirivirala Subbaraya Harsha Kashyap, Chartered Accountant and employee of the Company as Internal Auditor to carry out internal audit of the Company. The Audit Committee shall periodically review the Internal Audit Report.

Audit Committee

The Board of Directors at their meeting held on 19th July 2019 constituted an Audit Committee comprising of three Non-Executive Independent Directors viz. Mr. Salil Kumar Bhandari (Chairman), Mr. Mahesh Kr. Jiwrajka and Ms. Sushmita Singha and one Executive-Promoter Director viz. Mr. Shiv Prakash Mittal.

Nomination and Remuneration Committee

The Board of Directors at their meeting held on 19th July 2019 constituted a Nomination & Remuneration Committee comprising of three Non-Executive Independent Directors viz. Mr. Salil Kumar Bhandari (Chairman), Mr. Mahesh Kr. Jiwrajka and Ms. Sushmita Singha. The Remuneration Policy of the Company is uploaded on the website of the Company. The weblink is https://www.greenpanel.com/wp-content/uploads/2019/08/Remuneration-Policy.pdf.

Stakeholders Relationship Committee

The Board of Directors at their meeting held on 19th July 2019 constituted a Stakeholders Relationship Committee comprising two Promoter Directors viz. Mr. Shiv Prakash Mittal and Mr. Shobhan Mittal and one Non-Executive Independent Directors viz. Mr. Mahesh Kumar Jiwrajka (Chairman).

Extract of the annual return

The extract of Annual Return as required under section 134(3) (a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9, is annexed to this Report as Annexure II

Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2019 till the date of this Report except approval on Composite Scheme of Arrangement by NCLT, Guwahati Bench as stated above. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

Internal financial controls

Your Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. Your Company had laid down guidelines, policies, procedures and structure for appropriate internal financial controls across the company. These control processes enable and ensure orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

A report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 issued by M/s. S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 000756N), Statutory Auditors of the Company is attached with their Independent Auditor's report and the same is self-explanatory.

Insurance

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

Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

There were no loans granted, guarantees given and investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013.

Deposits

During the financial year 2018-2019, the Company did not invite or accept any deposits from the public under Section 76 of the Companies Act, 2013.

Related party transactions

There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. Related party transactions that were entered into during the year under review were on arm's length basis and were in ordinary course of business. Further, suitable disclosure as required by the Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

Corporate Governance

The report on Corporate Governance will be applicable post listing of equity shares with NSE and BSE.

Management Discussion and Analysis Report

The Management and Discussion Analysis Report for the year under review is given as a separate statement in the Annual Report.

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

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report.

Directors' Responsibility Statement

In terms of provisions of Section 134(5) of the Companies Act, 2013, your directors state that:

(i) in the preparation of the annual financial statements for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis;

(v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and;

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Fraud Reporting

There have been no frauds reported by the Auditors of the Company to the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

Constitution of Internal Complaints Committee

Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, were not applicable to the Company during the year under review.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, were not applicable to the Company during the year under review.

Particulars of employees

The information required under section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report.

Details of significant and material orders passed by the regulators/courts/tribunals impacting the going concern status and the Company's operations in future

During the period under review, there were no significant and material orders passed by any regulator/ court/tribunal impacting the going concern status and the Company's operations in future.

Acknowledgements

Your Directors place on record their sincere thanks and appreciation for the continuing support of financial institutions, consortium of banks, vendors, clients, investors, Central Government, State Governments and other regulatory authorities. The Directors also place on record their heartfelt appreciation for the commitment and dedication of the employees of the Company across all the levels who have contributed to the growth and sustained success of the Company.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: July 19, 2019

Shiv Prakash Mittal
Executive Chairman
(DIN: 00237242)

Annexure to the Director's Report
ANNEXURE -I

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries		₹ in Lacs
1.	Name of the subsidiary	Greenpanel Singapore Pte. Ltd., Singapore
2.	Reporting period for the subsidiary	01.04.2018- 31.03.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year	USD / INR = 69.11
4.	Share Capital	4,837.70
5.	Reserves & Surplus	(3,614.68)
6.	Total Assets	3,174.54
7.	Total Liabilities	1,951.52
8.	Investments	NIL
9.	Turnover	6,954.11
10.	Profit / (Loss) before taxation (including Other Comprehensive Income)	(778.62)
11.	Provision for taxation	NIL
12.	Profit / (Loss) after taxation (including Other Comprehensive Income)	(778.62)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes:

1. Names of subsidiaries which are yet to commence operations – N.A.

2. Names of subsidiaries which have been liquidated or sold during the year – Nil

Part B: Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

The Company has no Associate or Joint Venture Company.

For and on behalf of the Board of Directors

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
Date: July 19, 2019

Annexure to the Director's Report
ANNEXURE -II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS:

CIN	U20100AS2017PLC018272
Registration Date	13th December 2017
Name of the Company	GREENPANEL INDUSTRIES LIMITED
Category / Sub-Category of the Company	Public Company limited by shares
Address of the Registered office and contact details	Makum Road, Tinsukia – 786 125, Assam Ph- 033-40840600
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd
	23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700 001
	Phone No. 033-2248-2248
	E mail: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Medium Density Fibreboard	1621	75.91%
2	Plywood	1621	24.09%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Greenpanel Singapore Pte. Ltd., Singapore	Not Applicable	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/ HUF	-	6	6	0.01	-	6	6	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Bodies Corp.	-	9,99,994	9,99,994	99.99	-	9,99,994	9,99,994	99.99	-
f) Banks/FI	-	-	-	-	-	-	-	-	-
g) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	-	10,00,000	10,00,000	100	-	10,00,000	10,00,000	100	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) +(A) (2)	-	10,00,000	10,00,000	100	-	10,00,000	10,00,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1): -	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2): -	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,00,000	10,00,000	100	-	10,00,000	10,00,000	100	-

ii) Shareholding of Promoters & Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Greenply Industries Ltd	9,99,994	99.9994	Nil	9,99,994	99.9994	Nil	Nil
2	Santosh Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
3	Chitwan Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
4	Sanidhya Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
5	Shiv Prakash Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
7	Shobhan Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
8	Rajesh Mittal*	1	0.0001	Nil	1	0.0001	Nil	Nil
	Total	**10,00,000**	**100.00**	**Nil**	**10,00,000**	**100.00**	**Nil**	**Nil**

* Beneficial interest in the shares is held by Greenply Industries Limited.

(iii) Change in Promoters' & Promoter Group Shareholding (please specify, if there is no change)

Shareholding at the beginning of the year		Cumulative Shareholding during the year	
No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There was no change in Promoters and promoter group shareholding during the year under review.			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholding at the beginning of the year		Cumulative Shareholding during the year	
No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There were no shareholders other than Promoter and Directors of the Company during the year under review.			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Shiv Prakash Mittal, Executive Chairman**				
	At the beginning of the year	1	0.0001	1	0.0001
	Changes during the year	-	-	-	-
	At the End of the year	-	-	1	0.0001
2.	**Mr. Shobhan Mittal, Managing Director & CEO**				
	At the beginning of the year	1	0.0001	1	0.0001
	Changes during the year	-	-	-	-
	At the End of the year	-	-	1	0.0001
3.	**Mr. Rajesh Mittal, Director**				
	At the beginning of the year	1	0.0001	1	0.0001
	Changes during the year	-	-	-	-
	At the End of the year	-	-	1	0.0001
4.	**Mr. Salil Kumar Bhandari, Independent Director**				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the End of the year	-	-	-	-
5.	**Mr. Mahesh Kumar Jiwrajka, Independent Director**				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the End of the year	-	-	-	-

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**Ms. Sushmita Singha, Independent Director**				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment ₹ in Lacs

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition, pursuant to scheme of Arrangement	44,971.62	299.65	-	**45,271.27**
• Addition	10,667.70	2,024.61	-	**12,692.31**
• Reduction	-	-	-	-
Net Change	55,639.32	2,324.26	-	**57,963.58**
Indebtedness at the end of the financial year				
i) Principal Amount	55,552.32	2,304.99	-	**57,857.31**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	87.00	19.27	-	**106.27**
Total (i+ii+iii)	**55,639.32**	**2,324.26**	-	**57,963.58**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: ₹ in Lacs

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shiv Prakash Mittal, Executive Chairman	Shobhan Mittal, Managing Director & CEO	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	220.80	60.00	**280.80**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	8.20	**8.20**
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others (Contribution to Provident Fund)	24.34	7.20	**31.54**
	Total (A)	**245.14***	**75.40***	**320.54***
	Ceiling as per the Act **	**130.32**	**130.32**	**260.64**

* The Company has not paid any remuneration to the Executive Directors of the company during Financial Year 2018-2019. However, the remuneration paid by Greenply Industries Ltd. during Financial Year 2018-2019 to Mr. Shiv Prakash Mittal & Mr. Shobhan Mittal has been transferred to the Company, pursuant to the Scheme of Arrangement.

** being 5% of net profits of the Company calculated as per Section 198 of the Companies Act 2013

B. Remuneration to other directors:

₹ in Lacs

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Salil Kumar Bhandari, Independent Director	Mr. Mahesh Kumar Jiwrajka, Independent Director	Ms. Sushmita Singha, Independent Director	
1.	**Independent Directors**				
	• Fee for attending board committee meetings	0.50	1.00	0.50	**2.00**
	• Commission	-	-	-	**-**
	• Others, please specify	-	-	-	**-**
	Total (1)	**0.50**	**1.00**	**0.50**	**2.00**
2.	**Other Non- Executive Directors**				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-
	Total Managerial Remuneration* **				322.54
	Overall Ceiling as per the Act******				286.71

***Total remuneration paid to Managing Director & CEO, Executive Chairman and other Independent Directors (being total of A & B)

****Being 11% of net profits of the Company calculated as per Section 198 of the Companies Act 2013

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	**Gross salary** (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	During financial year 2018-19 the Company had not appointed any Key Managerial Personnel other than MD/Manager/WTD.		
2.	**Stock Option**			
3.	**Sweat Equity**			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify			
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Not Applicable		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure to the Director's Report
ANNEXURE -III

INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. Conservation of energy

i. Steps taken or impact on conservation of energy:

- Introduced Modified refiner segment for rationalised power consumption per ton of fibre as well to enhance the fibre throughput
- Fibre dryer fan speed reduced after several trials for optimum utilisation of energy
- Press cycle time and heating temperature is rationalised for higher throughput
- During winter season, surrounding area of fibre bin is heated with use of condensate water for better productivity
- Plant lighting control system managed with PLC
- Chips geometry is modified by changing knife angle to optimise the power consumption
- Fibre size is optimised for reduced load on refiner
- Battery of Air compressors operations synchronised for optimum utilisation and practically one air compressor remains off
- FGS transportation within warehouse is managed with motorised trolley and use of fork lift is reduced as fuel conservation
- Water Pump House operation controlled under auto system with pressure control
- Wax heating & transfer system replaced from steam to waste hot air
- Chips feeding to refiner control replaced from manual to Auto system
- Surge bin Chips pre-heating started in Auto to improve fiber quality & energy saving
- Press cycle optimize to improve quality and power consumption
- Sanding infeed system modified to control raw board feeding gap and increase capacity, thereby reducing power consumption
- CTS limit switches replaced with new technology proximity sensors
- System incorporated to stop Offline equipment during peak load period and run at maximum capacity in off peak load period
- Regular venting of Thermal oil lines to remove low boil volatile impurities for optimum utilization of heat energy
- Preventive and corrective maintenance schedule for proactive measures to optimize energy usage and available time of machines.

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

ii. Steps taken for utilising alternate sources of energy:

- The Company is exploring feasibility of utilizing alternate source of energy at its manufacturing units.

iii. Capital Investment on energy conservation equipment:

- The Company is exploring feasibility for installation of energy efficient equipment.

B. Technology absorption

i. the efforts made towards technology absorption

- Company introduced E1 and CARB products in compliance with international standards
- Company is in process of low emission E0 products
- Company has taken test batch for Fire Retardant products
- Low density MDF board produced for overseas market
- Pressing time for plain board reduced by improving glue formulation
- High speed peeling machine installed for better productivity
- Surface and edge finishing of plyboard by buffing machine as quality improvement
- Scarf joint machine installed for use of short size core and waste reduction

ii. the benefits derived like product improvement, cost reduction, product development or import substitution;

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

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. the details of technology imported: The Company did not have the need to import technology or foreign technical collaborations, but the Company had guidance from technical experts as well from the foreign machinery suppliers.

b. the year of import: Not Applicable

c. whether the technology been fully absorbed: Not applicable

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable

iv. the expenditure incurred on Research and Development:

(₹ in Lacs)

Capital	-
Revenue	-
Total	-
Total R&D expenditure as a percentage of net turnover (%)	-

C. Foreign exchange earnings and outgo

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

Foreign exchange earnings and outgo:

Earnings and outgo:

(₹ in Lacs)

Particulars	FY 2018-19	FY 2017-18
Earnings on account of:		
a) FOB value of exports	5,320.39	-
Total		
Outgo on account of:		
a) Raw materials	2,340.02	-
b) Capital goods	1,857.78	-
c) Traded goods	-	-
d) Stores & spare parts	659.13	-
Total	**4,856.93**	**-**

For and on behalf of the Board of Directors

Shiv Prakash Mittal
Executive Chairman
(DIN: 00237242)

Place: Gurgaon
Date: July 19, 2019

Annexure to the Director's Report

ANNEXURE -IV

Managerial Remuneration

As per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose the following information in the Board's Report.

(a) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Name	Designation	Ratio to median remuneration of employees
Mr. Shiv Prakash Mittal	Executive Chairman	111.48
Mr. Shobhan Mittal	Managing Director & CEO	30.65
Mr. Rajesh Mittal	Non-Executive Director	NIL
Mr. Mahesh Kumar Jiwrajka	Independent Director	0.44
Mr. Salil Kumar Bhandari	Independent Director	0.22
Ms. Sushmita Singha	Independent Director	0.22

(b) percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	% increase
Mr. Shiv Prakash Mittal	Executive Chairman	NOT APPLICABLE *
Mr. Shobhan Mittal	Managing Director & CEO	NOT APPLICABLE *
Mr. Rajesh Mittal	Non-Executive Director	NOT APPLICABLE *
Mr. Mahesh Kumar Jiwrajka	Independent Director	NOT APPLICABLE *
Mr. Salil Kumar Bhandari	Independent Director	NOT APPLICABLE *
Ms. Sushmita Singha	Independent Director	NOT APPLICABLE *

* No remuneration was paid to Directors during the Financial Year 2017-2018 in Greenpanel Industries Ltd. and hence percentage of increase in their remuneration cannot be determined

(c) percentage increase in the median remuneration of employees in the financial year 2018-19;

No remuneration was paid in the financial year 2017-2018, hence, increase in the median remuneration of employees is not provided.

(d) number of permanent employees on the rolls of Company as on 31st March 2019: 1619

(e) average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Not Applicable (No remuneration was paid in the financial year 2017-2018, hence, average percentile increase in the salaries of employees and managerial remuneration cannot be determined).

(f) Affirmation that the remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company: NOT APPLICABLE

Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended on 31st March, 2019

a. Details of Top ten employees in terms of remuneration drawn:

Sl. No.	Name of Employee	Designation	Remuneration (₹ in Lacs)	Qualification	Experience	Date of commencement of Employment	Age Yrs.	The Last Employment held before joining the Company
1.	Shiv Prakash Mittal	Executive Chairman	254.89	B.Sc.	46 yrs.	01.02.2007	70 yrs.	Himalaya Granites Ltd.*
2.	Shobhan Mittal	Managing Director & CEO	70.09	BBA	14 yrs.	01.09.2006	39 yrs.	Worthy Plywoods Ltd.*
3.	Yogesh Arora	President-Sales	161.96	B.Sc. (Maths)	44 yrs.	04.04.2009	63 yrs.	Bajaj Eco-Tec Products Ltd.*
4.	Vishwanathan Venkatramani	Chief Financial Officer	101.63	CA	32 yrs.	01.07.1995	55 yrs.	MKJ Enterprises*
5.	Subhash Kumar Aggarwal	Senior Vice-President-Operations	91.98	Post Diploma in Paper Technology -AMIE in Chemical Engineering	38 Yrs.	21.06.2010	59 yrs.	Nuchem Limited*
6.	Ashok Parekh	Chief Executive Engineer	91.45	Diploma in Civil Eng.	40 Yrs.	01.04.2008	61 yrs.	Doshion Limited*
7.	Neeladri Basu	Senior Vice-President-Finance & Accounts	80.54	CA, IFRR	23 yrs.	01.02.2013	48 yrs.	Ingersoll Rand*
8.	Atul Dixit	National Head-Sales-Plywood	37.50	Executive General Management Program (IIM-Bangalore), MA (Eng. Lit.)	28 yrs.	01.10.2018	53 yrs.	RMC Switchgears Ltd*
9.	Vikas Marwaha	National Head-Sales-MDF	73.28	Executive Program in Leadership and Management, Strategy & Leadership (IIM-Calcutta),MBA, PGDMM	29 yrs.	03.06.2015	53 yrs.	Jaquar and Company*
10.	Manish Khandelwal	National Head-Sales-Flooring	2.85	Executive Program in Business Management (IIM-Calcutta), PGDBM	21 yrs.	15.03.2019	44 yrs.	Weber Stephen India Pvt. Ltd.*

*employment transferred to the Company from Greenply Industries Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal effective from July 1, 2019 (Appointed date April 1, 2018) and accordingly the respective date of appointment in the Demerged Company has been considered.

Notes:

1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission, provision of gratuity and other perquisites as per the terms of employment. However, the above remuneration does not include expenses towards club membership fees.
2. All the employees have requisite experience to discharge the responsibility assigned to them.
3. Nature and terms of employment are as per resolution/appointment letter.
4. None of the employees own 2% or more of the equity shares of the Company as on March 31, 2019.
5. Within the meaning of Section 2(77) of the Companies Act, 2013, Mr. Shiv Prakash Mittal is related to Mr. Rajesh Mittal and Mr. Shobhan Mittal.

For and on behalf of the Board of Directors

Shiv Prakash Mittal
Executive Chairman
(DIN: 00237242)

Place: Gurgaon
Date: July 19, 2019

Dividend Distribution Policy of Greenpanel Industries Limited

The Board of Directors (the "Board") of Greenpanel Industries Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") in its meeting held on 14th August, 2019. The Policy shall become effective from the date of its adoption by the Board i.e., 14th August, 2019.

PURPOSE, OBJECTIVES AND SCOPE

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the "Board") of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors/parameters for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

The Policy shall not apply to:

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

A. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following-

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management including the CFO, and other relevant factors.
2. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities.

B. PARAMETERS TO BE CONSIDERED FOR DECISION OF DIVIDEND PAY-OUT

The Board shall consider, inter alia, the following, while taking decisions of a dividend payout during a particular year-

- Statutory requirements as may be applicable to the Company prior to declaration of dividends;
- Terms of restrictions and covenants contained in the Agreements with lending institutions/ Debenture Trustees
- Prudential requirements for prospective projects and strategic decisions
- Proposals for major capital expenditures
- Extent of realized profits out of its profits calculated as per IND AS
- Past performance/ reputation of the Company
- Other financial parameters like
    - Generation of adequate operating cash flow
    - Expenditure incurred in increasing net sales of the Company
    - Return on invested capital
    - Magnitude of earnings
    - Working capital management in the Company
    - Cost of borrowings etc.

C. EXTERNAL FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

Product/ market expansion plan

The Company's growth-oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to consider by the Board before taking dividend decision.

Macroeconomic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Shareholder expectation, including individual shareholders

The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

D. CIRCUSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The Board shall consider the factors provided above under Para B and C, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company. If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

E. MANNER OF DIVIDEND PAYOUT

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

In case of final dividends

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/ declared at the annual general meeting of the Company.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

F. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Product expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Other such criteria as the Board may deem fit from time to time.

G. PARAMETERS FOR VARIOUS CLASSES OF SHARES

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
2. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
3. The dividends shall be paid out of the Company's distributable profits and/or general reserves and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
4. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

AMENDMENT

To the extent any change/amendment is required in terms of any applicable law, the Managing Director & CEO and the Chief Financial Officer of the Company shall be jointly/severally authorised to review and amend the Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes. Any such changes apart from those required in terms of the statute, shall be made in consideration and approval of the Board.

On Behalf of the Board of Directors

Shobhan Mittal
Managing Director & CEO
(DIN: 00347517)

Place: Gurgaon
Date: August 14, 2019

Independent Auditors' Report

To the Members of
GREENPANEL INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statement

Opinion

This Report is issued in supersession of our earlier report dated May 16, 2019 on the Original Standalone Ind AS Financial Statements, to the extent of matter stated in emphasis of matters paragraph below

We have audited the accompanying standalone financial statements of **GREENPANEL INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information in which are included all the assets and liabilities of the 'transferred business' of Greenply Industries Ltd (Greenply) and its investment in its 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 Alkemal (Singapore) Pte. Ltd. (registered in Singapore) (as per the scheme of arrangement approved by Hon'ble National Company Law Tribunal, Guwahati Bench, fully described in Note 48 to the standalone Ind AS financial statements) at their respective book values on a going concern basis with effect from the appointed date (i.e. April 1, 2018), herein after referred to as Ind AS Financial Statements,.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the relevant rules made thereunder, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements* section of our report. We are independent of the Company 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, as amended 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

Without qualifying we draw attention to Note 48, to the accompanying standalone Ind AS financial statements for the year ended March 31, 2019 which earlier were approved by the Board of Directors in its meeting held on May 18, 2018. The accompanying standalone Ind AS financial statements have been prepared by the Company consequent to transfer of business 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 Alkemal (Singapore) Pte. Ltd. (registered in Singapore) by Greenply pursuant to a Scheme of Arrangement and Amalgamation, approved by the Hon'ble National Company Law Tribunal, Guwahati Bench vide order dated June 28, 2019 effective from July 01, 2019 more fully described therein, with an appointed date of April 01, 2018. We further report that our audit procedures on the subsequent events in so far as those relate to the updating of the original standalone Ind AS financial statements (as amended) are restricted solely to the matters related to the Scheme and no effect has been given for any other events, if any, occurring after May 16, 2019 (being the date on which original standalone Ind AS financial Statements were approved by the Board of Directors of the Company and reported upon by us in our report of that date).

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

The 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 standalone 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with standalone 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of

these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone 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 standalone 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 omission, 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation,

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:

   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.

   a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   b) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the relevant books of account.

   c) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules made thereunder, as amended, and other accounting principles generally accepted in India

d) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

f) With respect to the other matter to be included in the Auditors' report under Section 197(16), based on our audit, we report that:

The managerial remuneration paid/provided during the current year to the directors by the Company is in accordance with the provisions of Section 197 of the Act.

g) 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:

i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements- Refer note 37 (a) to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There was no amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31,2019.

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

Date: July 19, 2019
Place: New Delhi
UDIN: 19087294AAAADN6671

Sunil Wahal
Partner
Membership No: - 087294

Annexure A to the Independent Auditors' Report to the Members of GREENPANEL INDUSTRIES LIMITED on its standalone financial statements dated 19th July 2019

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular program for physical verification of its fixed assets according to which fixed assets of respective locations are verified in a phased manner. In our opinion the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the assets transferred to the Company pursuant to scheme of arrangement. The Company is in the process of having the title transferred in its name subsequent to the NCLT order as discussed in Note 48.4 (e).

ii. The inventories of raw material and components of the Company (except stock in transit) have been physically verified by the management at the end of the year and in respect of inventory of stores and spares there is perpetual inventory system and substantial portion of the stock have been verified during the year. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies, if any, were not material and adjusted in the books.

iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable.

iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Act.

v. As the Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed there under are not applicable. Neither an order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, nor is any proceeding pending before such authority.

vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and Service tax, cess and other material statutory dues, as applicable, with the appropriate authorities and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) We are informed that there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Excise Duty, Goods & Service Tax and Service Tax which have not been deposited on account of any dispute except as mentioned below along with the forum where the dispute is pending:

Name of the statute	Nature of dues	Amount Rs. (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act, 1944	Denial of refund of service tax refund on Timber transportation	51.64	August 2013 to May 2014	CESTAT, New Delhi
Service Tax Act, 1944	Demand of Service tax on GTA services availed for transportation of wood log	445.68	June 2014 to September 2016	Commissioner Customs, Central Excise & Service Tax, Hapur
Service Tax Act, 1944	Demand of Service tax on GTA services availed for transportation of wood log	133.34	October 2016 to June 2017	Commissioner, Central Goods & Service Tax, Dehradun
Customs Act, 1962	Disallowance of benefits under SHIS license	391.92	July 2013 to December 2014	CESTAT, Kolkata
Customs Act, 1962	Disallowance of benefits under SHIS license	6.49	2013-2014 to 2014-2015	CESTAT, Kolkata

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions and banks. The Company has not issued any debentures and has not taken any loans from the Government.

ix. In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the term loans were obtained. No money has been raised during the year by way of initial public offer / further public offer.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. In our opinion and according to the Information and explanation given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company, the provision of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 178 of the Act, as applicable and the details have been disclosed in these standalone financial statements as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

xv. In our opinion and on the basis of information and explanations given to us, the company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Date: July 19, 2019
Place: New Delhi
UDIN: 19087294AAAADN6671

Sunil Wahal
Partner
Membership No: - 087294

Annexure B to the Independent Auditor's Report to the Members of GREENPANEL INDUSTRIES LIMITED dated July 19, 2019 on its standalone 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(e) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **GREENPANEL INDUSTRIES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 Act.

Auditors' Responsibility

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

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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 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 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 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.

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

Date: July 19, 2019
Place: New Delhi
UDIN: 19087294AAAADN6671

Sunil Wahal
Partner
Membership No: - 087294

Standalone Balance Sheet as at 31 March 2019

₹ in Lakhs

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,11,684.34	-
(b) Capital work-in-progress	5	379.33	-
(c) Other intangible assets	6	72.38	-
(d) Financial assets			
(i) Investments	7	4,710.06	-
(ii) Loans	8	1,086.48	-
(e) Other non-current assets	14	1,653.47	-
Total non-current assets		1,19,586.06	-
(2) Current assets			
(a) Inventories	10	13,081.16	-
(b) Financial assets			
(i) Trade receivables	11	5,236.25	-
(ii) Cash and cash equivalents	12	1,810.37	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	5,777.84	-
Total current assets		28,895.56	5.07
Total assets		1,48,481.62	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	66,810.56	(5.19)
Total equity		68,036.83	4.81
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	45,365.66	-
(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		53,144.73	-
(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		8,149.41	0.25
(iii) Other financial liabilities	20	10,780.17	-
(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		27,300.06	0.26
Total liabilities		80,444.79	0.26
Total equity and liabilities		1,48,481.62	5.07
Significant accounting policies	3		

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

As per our report of even date attached

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

Standalone Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lakhs

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	26	58,731.41	-
II. Other income	27	1,280.70	-
III. Total income (I+II)		60,012.11	-
IV. Expenses			
Cost of materials consumed	28	29,006.74	-
Purchase of stock in trade	29	9.88	-
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(3,939.94)	-
Employees benefits expense	31	7,486.77	-
Finance costs	32	2,391.15	-
Depreciation and amortisation expense	33	5,031.60	-
Other expenses	34	17,832.15	5.19
Total expenses (IV)		57,818.35	5.19
V. Profit before tax (III-IV)		2,193.76	(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)		4,412.75	(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	-
IX. Total comprehensive income for the year (VII+VIII)		4,435.41	(5.19)
X. Earnings per equity share	36		
[Face value of equity share ₹1 each (previous year ₹1 each)]			
- Basic (₹)		3.60	(0.52)
- Diluted (₹)		3.60	(0.52)
Significant accounting policies	3		

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

As per our report of even date attached

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

Standalone Statement of changes in equity for the year ended 31 March 2019

a) Equity share capital

₹ in Lakhs

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

₹ in Lakhs

Particulars	Note	Reserves and surplus		Items of OCI	Total
		Capital reserve	Retained earnings	Remeasurements of defined benefit liability	
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)		**62,380.34**	**-**	**-**	**62,380.34**
Total comprehensive income for the year ended 31 March 2019					
Profit or loss		-	4,412.75	-	4,412.75
Other comprehensive income (net of tax)		-	-	22.66	22.66
Total comprehensive income		**-**	**4,412.75**	**22.66**	**4,435.41**
Balance as at 31 March 2019		**62,380.34**	**4,407.56**	**22.66**	**66,810.56**
Significant accounting policies	3				

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

As per our report of even date attached

For **S.S. Kothari Mehta & Co.**
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Place : Gurgaon
Dated : 19 July 2019

Standalone Statement of Cash Flows for the year ended 31 March 2019

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. Cash flows from operating activities		
Profit before Tax	2,193.76	(5.19)
Adjustments for:		
Depreciation and amortisation expense	5,031.60	-
Finance costs	2,391.15	-
Provision for doubtful debts	84.78	-
Loss on sale/discard of property, plant and equipment	5.05	-
Interest income	(69.03)	-
Unrealised foreign exchange fluctuations (net)	(695.43)	-
Government grants - EPCG scheme (refer note 22)	(545.00)	-
	6,203.12	**-**
Operating cash flows before working capital changes	8,396.88	(5.19)
Working capital adjustments:		
(Increase)/decrease in trade and other receivables	(1,918.09)	-
(Increase)/decrease in inventories	(2,873.79)	-
Increase/(decrease) in trade and other payables	(491.83)	0.26
	(5,283.71)	**0.26**
Cash generated from operating activities	3,113.17	(4.93)
Income tax paid (net)	(408.82)	-
Net cash from operating activities	**2,704.35**	**(4.93)**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(10,537.66)	-
Acquisition of investments	(1,288.06)	-
Proceeds from sale of property, plant and equipment	8.06	-
Interest received	69.03	-
Net cash used in investing activities	**(11,748.63)**	**-**
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)	1,494.20	-
Repayment of long term borrowings	(1,728.28)	-
Interest paid	(2,578.15)	-
Processing fees paid for long term borrowings	(12.65)	-
Net cash flow from financing activities	**10,450.71**	**10.00**
Net (decrease)/increase in cash and cash equivalents	**1,406.43**	**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)	398.87	-
Cash and cash equivalents at 31 March 2019 (refer note 12)	**1,810.37**	**5.07**

Standalone Statement of Cash Flows for the year ended 31 March 2019

Notes:

(i) Standalone 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:

₹ in Lakhs

Particulars	As on 31 March 2018	Adjusted pursuant to Scheme of Arrangement (See Note 48)	Cash flows	Fair value changes	As on 31 March 2019
Non-current Borrowings including current maturities (Note 19)	-	42,138.26	11,547.31	(369.96)	53,315.61
Current Borrowings (Note 19)	-	3,047.50	1,494.20	-	4,541.70

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

As per our report of even date attached

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

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Partner
Membership No: 087294

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Company Secretary & VP-Legal

Place : Gurgaon
Dated : 19 July 2019

Notes to the Standalone Financial Statements for the year ended 31 March 2019

1. Reporting entity

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

The Company has an overseas wholly owned subsidiary company namely 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.

2. Basis of preparation

a. Statement of compliance

These standalone 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 standalone financial statements are authorised for issue by the Board of Directors of the 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 standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

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

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

d. Use of estimates and judgements

In preparing these standalone 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 standalone 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 standalone financial statements is included in the note on 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 standalone 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 cashflows

e. Measurement of fair values

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

The Company 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

Significant valuation issues are reported to the 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 Company 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 Company 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.

3. Significant accounting policies

a. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company'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 Company'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 Company'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 Company 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. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company 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

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Statement of Profit and Loss in the period in which they arise.

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 Company 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 Company 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 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 Company 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 Company 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 Company 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 Company'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

Notes to the Standalone Financial Statements for the year ended 31 March 2019

its contractual paramount, 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 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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in 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 Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company 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 Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in 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 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 Company 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 Company 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 Company 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 Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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 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 Company 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

(v) Derivative financial instruments

The Company 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 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 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'.

(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 Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the 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 Company 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:

Asset	Useful life as per Schedule II
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).

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software 5 years

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."

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 Company 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 as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company 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 Company to track changes in credit risk. The Company 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 Company 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 Company'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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Company 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 Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company'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 Company'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 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 Company 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 Company'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 Company 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 Company 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 Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Company's gratuity benefit scheme is a defined benefit plan. The Company'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 Company, 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 Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the 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 Company 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 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 Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Company'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 Statement of Profit and Loss.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company 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 Company 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 Company adopted Ind AS 115 "Revenue from Contracts with Customers". The effect on adoption of Ind AS 115 was insignificant.

The Company 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 Company has objective evidence that all criteria for acceptance have been satisfied.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 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 Company 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 Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Statement of Profit and Loss on the date on which the Company'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 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 Company 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 Company 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 Company 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Company 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 Company.

s. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company 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 Company 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 Company 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 Company'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 Company has currently two reportable segments namely:

i) Plywood and allied products

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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

(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 Company 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 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 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 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 Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the 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 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 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 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

4. Property, plant and equipment

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

(a) Reconciliation of carrying amount

₹ in Lakhs

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost (Gross carrying amount)							
Balance at 1 April 2017	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals/ discard	-	-	-	-	-	-	-
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	1,163.33	2,013.51	905.18	56,489.99
Additions	741.14	6,213.75	72,422.50	1,155.99	322.54	328.27	81,184.19
Disposals/ discard	-	-	(32.30)	-	(14.40)	(10.89)	(57.59)
Balance at 31 March 2019	**5,533.89**	**12,292.72**	**1,13,926.45**	**2,319.32**	**2,321.65**	**1,222.56**	**1,37,616.59**
Accumulated depreciation							
Balance at 1 April 2017	-	-	-	-	-	-	-
Depreciation 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)	-	1,868.65	17,465.48	483.40	661.98	510.37	20,989.88
Depreciation for the year	-	390.82	4,026.25	161.36	255.58	152.84	4,986.85
Adjustments/ disposals	-	-	(21.79)	-	(12.33)	(10.36)	(44.48)
Balance at 31 March 2019	-	**2,259.47**	**21,469.94**	**644.76**	**905.23**	**652.85**	**25,932.25**
Carrying amounts (net)							
At 31 March 2018	-	-	-	-	-	-	-
At 31 March 2019	**5,533.89**	**10,033.25**	**92,456.51**	**1,674.56**	**1,416.42**	**569.71**	**1,11,684.34**

(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).

5. Capital work-in-progress

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	**379.33**	-
Capital work-in-progress includes:		
Expenditure incurred during construction period on new manufacturing facility of the Company:		
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	-
	2,044.47	-
Less: Capitalised during the year	9,100.61	-
At the end of the year	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

5. Capital work-in-progress (contd.)

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**

₹ in Lakhs

	Computer software
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
Additions	-
Disposals/write-off	-
Balance at 31 March 2019	**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
Amortisation for the year	44.75
Adjustments/ disposals	-
Balance at 31 March 2019	**149.63**
Carrying amounts (net)	
At 31 March 2018	-
At 31 March 2019	**72.38**

7. Investments

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current investments		
Unquoted		
Equity instruments in subsidiaries carried at cost		
7,000,000 (31 March 2018: Nil) equity shares of Greenpanel Singapore Pte. Limited (Formally known as Greenply Trading Pte. Limited, Singapore) (face value USD 1 each, fully paid-up)	4,710.06	-
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	4,710.06	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

8. Loans

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposits	1,054.48	-
Loan to employees	32.00	-
	1,086.48	**-**
Current		
Loan to employees	32.32	-
	1,118.80	**-**

9. Current tax liabilities

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax liabilities	90.59	-

10. Inventories

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

See accounting policy in note 3(f)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	3,695.02	-
[including in transit ₹**376.82 lakhs** (31 March 2018 ₹Nil)]		
Work-in-progress	2,423.13	-
Finished goods	5,053.59	-
[including in transit ₹**971.12 lakhs** (31 March 2018 ₹Nil)]		
Stores and spares	1,909.42	-
	13,081.16	**-**

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Unsecured		
- Considered good	5,236.25	-
- Credit Impaired	326.38	-
	5,562.63	**-**
Less: Loss for allowances		
- Credit Impaired	326.38	-
Net trade receivables	**5,236.25**	**-**
Of the above		
Trade receivables from related parties	2,362.04	-

Notes:

(a) No trade or other receivables are due from directors or other officers of the Company 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 Company'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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

12. Cash and cash equivalents

See accounting policy in note 3(s)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	19.30	0.23
Cheques in hand	-	-
Balances with banks		
- On current accounts	791.07	4.84
- On deposit accounts (with original maturities up to 3 months)	1,000.00	-
	1,810.37	5.07

13. Other bank balances

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*	28.54	-

*Pledged/lodged with various government authorities as security

14. Other non-current assets

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	-
	1,653.47	-

15. Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Government grants receivable	2,892.73	-
Export incentive receivable	18.95	-
Insurance claim receivable	3.79	-
Interest Receivable	3.22	-
	2,918.69	-

16. Other current assets

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
To parties other than related parties		
Advances for supplies	265.98	-
Advances to employees	8.32	-
Others		
Prepaid expenses	655.78	-
Unmatured finance charges	77.26	-
Leasehold land prepayments	16.31	-
Balance with goods and service tax authorities	4,754.19	-
	5,777.84	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

17. Equity share capital

See accounting policy in note 3(q)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
150,000,000 (31 March 2018: 10,000,000) equity shares of ₹1 each*	**1,500.00**	**100.00**
* 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	-	10.00

(a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	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	**-**	**-**	**10,00,000**	**10.00**

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

The 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 Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the 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 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 Company, the holders of equity shares will be entitled to receive the residual assets of the 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**

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	%	Number	%
Equity shares of ₹1 each				
Greenply Industries Limited	-	-	10,00,000	100.00%

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

(e) The 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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Equity share capital suspense	1,226.27	-

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 Company. (See Note 48)

Notes to the Standalone Financial Statements for the year ended 31 March 2019

18. Other equity

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve		
At the commencement of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	62,380.34	-
	62,380.34	-
Retained earnings		
At the commencement of the year	(5.19)	-
Add: Profit for the year	4,412.75	(5.19)
	4,407.56	(5.19)
Other comprehensive income (OCI)		
At the commencement of the year	-	-
Remeasurements of the net defined benefit plans	22.66	-
	22.66	-
	66,810.56	(5.19)

(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 Company.

(iii) **Other comprehensive income (OCI):** It comprises of remeasurements of the net defined benefit plans on actuarial valuation of gratuity.

(b) Disaggregation of changes in items of OCI

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Remeasurements of defined benefit liability/ (asset)	22.66	-

19. Borrowings

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings		
Secured		
Term loans		
From banks		
Foreign currency loans	38,646.86	-
Rupee loans	13,479.19	-
	52,126.05	-
Less: Current maturities of long term borrowings (refer note 20)	7,663.70	-
	44,462.35	-
Loan against vehicles	1,189.56	-
Less: Current maturities of loan against vehicles (refer note 20)	286.25	-
	903.31	-
	45,365.66	-
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	-
	2,236.71	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

19. Borrowings

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
From banks		
Channel finance assurance facility	210.65	-
Foreign currency loan - bill discounting	159.68	-
Rupee loans - bill discounting	1,934.66	-
	2,304.99	-
	4,541.70	-

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

(A) Terms of repayment

₹ in Lakhs

Name of the lender	Interest rate	Repayment schedule	Year of maturity	As at 31 March 2019	As at 31 March 2018
(i)Foreign currency term loans					
Landesbank Baden-Wurttenberg [**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	-

(B) Details of security

(a) Term loan from Landesbank Baden-Wurttenberg (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 financed by Landesbank Baden-Wurttenberg. 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 favour 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 Company at Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).

(ii) First pari passu charge on all movable fixed assets of the Company except the main press line of MDF plant at Chittor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttenberg.

(iii) Second pari passu charge on all current assets of the Company.

(iv) Due to stipulation from LBBW the security of Main press line of MDF plant at Pantnagar (Uttarakhand) will be excluded subsequently.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

19. Borrowings (contd.)

(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 Company.

(ii) Second pari passu charge on immovable fixed assets of the Company at Pantnagar (Uttarakhand) and Chittoor (Andhra Pradesh).

(iii) Second pari passu charge on all movable fixed assets of the Company except the main press line of MDF plant at Chittor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttenberg.

(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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposits from customers	1,253.00	-
Current		
Current maturities of long term borrowings (refer note 19)	7,663.70	-
Current maturities of loan against vehicles and equipments (refer note 19)	286.25	-
Interest accrued but not due on borrowings	106.27	-
Liability for capital goods	2,408.23	-
Employee benefits payable	315.72	-
	10,780.17	-

(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 Company'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)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	459.26	-
Liability for compensated absences	331.56	-
	790.82	-
Current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	225.62	-
Liability for compensated absences	157.41	-
	383.03	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

22. Other non-current liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred income on Government grants	4,529.95	-

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 Company has certain export obligations against such benefits availed which the Company will fulfill within the required time period under the scheme. For contingencies attached to these grants, refer note 37.

23. Trade payables

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Dues to micro and small enterprises (Refer note 46)	0.81	-
Dues to other than micro and small enterprises	8,149.41	0.25
	8,150.22	**0.25**

Information about the Company'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)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Foreign exchange forward contracts	12.74	-
Foreign exchange interest rate swaps	(23.13)	-
(Asset)/Liability	**(10.39)**	-

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

25. Other current liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues	652.92	0.01
Deferred income on Government grants	2,400.00	-
Advance from customers	301.43	-
	3,354.35	**0.01**

26. Revenue from operations

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

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	57,082.49	-
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	-
	1,648.92	-
	58,731.41	-
Reconciliation of revenue from sale of products with the contracted price		
Contracted price	61,286.53	-
Less : Trade discounts, volume rebates etc.	(4,204.04)	-
Sale of products	**57,082.49**	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

26. Revenue from operations (contd.)

Disaggregated revenue information

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

₹ in Lakhs

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	42,966.34	57,082.49
Sale of products (including excise duty)	14,116.15	42,966.34	57,082.49
Revenue by geography:			
- India	14,112.82	37,268.16	51,380.98
- Outside India	3.33	5,698.18	5,701.51
Total revenue from contracts with customers	14,116.15	42,966.34	57,082.49

₹ in Lakhs

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)	-	-	-
Revenue by geography:			
- India	-	-	-
- Outside India	-	-	-
Total revenue from contracts with customers	-	-	-

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

₹ in Lakhs

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	42,966.34	57,082.49
- Inter-segment	-	-	-
Other Operating Revenue	34.12	1,614.80	1,648.92
	14,150.27	44,581.14	58,731.41
Inter-segment elimination	-	-	-
Less: Other Operating Revenue	(34.12)	(1,614.80)	(1,648.92)
Total revenue from contracts with customers	14,116.15	42,966.34	57,082.49

₹ in Lakhs

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	-	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

26. Revenue from operations (contd.)

a) The Company presented disaggregated revenue based on the type of goods sold to customers and location of customers. The Company's revenue is recognised for goods transferred at a point in time. The Company 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 Company 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 company, if the customers are dissatisfied with the quality of product which is determined on a case to case basis by the company.

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

₹ in Lakhs

Particulars	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	1,045.68	-
	1,280.70	-

28. Cost of materials consumed

₹ in Lakhs

Particulars	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	(3,695.02)	-
	29,006.74	-

29. Purchase of stock in trade

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of traded goods	9.88	-

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

See accounting policy in note 3(f)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventories		
Work-in-progress	-	-
Finished goods	-	-
	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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

See accounting policy in note 3(f)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)		
Work-in-progress	1,381.56	-
Finished goods	2,155.22	-
	3,536.78	-
Closing inventories		
Work-in-progress	2,423.13	-
Finished goods	5,053.59	-
	7,476.72	-
	(3,939.94)	-

31. Employees benefits expense

See accounting policy in note 3(i)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages, bonus, etc.	6,651.23	-
Contribution to provident and other funds	423.76	-
Expenses related to post-employment defined benefit plan	151.33	-
Expenses related to compensated absences	160.96	-
Staff welfare expenses	99.49	-
	7,486.77	-

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.

(c) **Actuarial valuation of gratuity liability**

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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**	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

31. Employees benefits expense (contd.)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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)

32. Finance costs

See accounting policy in note 3(p)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	2,264.84	-
Exchange difference regarded as an adjustment to borrowing cost	381.44	-
Other borrowing cost	262.13	-
Less: Finance cost capitalised	(517.26)	-
	2,391.15	-

33. Depreciation and amortisation expense

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

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	4,986.85	-
Amortisation of intangible assets	44.75	-
	5,031.60	-

34. Other expenses

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	945.50	-
Power and fuel	6,747.53	-
Rent	441.40	-
Repairs to:		
- buildings	33.79	-
- plant and equipment	869.19	-
- others	479.40	-
Insurance	194.86	-
Rates and taxes	49.21	-
Travelling expenses	759.61	-
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]	21.90	0.11

Notes to the Standalone Financial Statements for the year ended 31 March 2019

34. Other expenses

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Expenditure on corporate social responsibility	17.64	-
Loss on sale/discard of property, plant and equipment	5.05	-
Amortisation of leasehold land prepayments	16.31	-
Provision for doubtful debts	84.78	-
Miscellaneous expenses	1,704.80	5.08
	17,832.15	5.19

34 (i) Payment to auditors

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
As auditors:		
- Statutory audit	21.00	0.11
- Tax audit	-	-
- Limited review of quarterly results	-	-
In other capacity		
- Certification fees	0.90	-
- Other services	-	-
Reimbursement of expenses	-	-
	21.90	0.11

35. Income tax

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	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	2,193.76	(5.19)
Applicable Income Tax rate	34.944%	34.608%
Computed tax expense	766.59	(1.80)
Additional deduction as per income tax	(2,907.17)	-
Non-deductible expenses for tax purposes	6.20	-
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	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

35. Income tax

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(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)	-

36. Earnings per share

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Basic and diluted earnings per share		
(i) Profit for the year, attributable to the equity shareholders	4,412.75	(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)]	3.60	(0.52)

37. Contingent liabilities and commitments

(to the extent not provided for)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contingent liabilities		
(a) Claims against the Company not acknowledged as debts:		
(i) Excise duty, sales tax and other indirect taxes in dispute	1,029.07	-

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 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	-

Claim against the Company not acknowledged as debt:

Cash outflows for the above are determinable only on receipt of judgments pending at various forums/ authorities. The Company 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 Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

38. Operating leases

See accounting policy in note 3(m)

The Company has taken certain commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Standalone Statement of Profit and Loss with respect to operating leases **₹439.38 lakhs** (31 March 2018: ₹Nil) has been included as rent in note 34 'Other expenses'.

39. Related party disclosure

a) Related parties where control exists

Holding company:

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

Wholly owned subsidiary company:

i) Greenpanel Singapore Pte. Limited, Singapore (Formally known as Greenply Trading Pte. Limited)

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

Key Management Personnel (KMP)

i) Mr. Shiv Prakash Mittal, Director*

ii) Mr. Shobhan Mittal, Director*

iii) Mr. Mahesh Kumar Jiwrajka, Non-Executive Independent Director

iv) Mr. Salil Kumar Bhandari, Non-Executive Independent Director

v) Ms. Sushmita 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)

c) Enterprises controlled by Key Management Personnel or their relatives

i) Greenlam Industries Limited

ii) Greenply Industries Limited

d) Related party transactions

₹ in Lakhs

Name of the related party	Nature of transaction	31 March 2019	31 March 2018
Greenpanel Singapore Pte. Limited	Sale of products	5,860.66	-
	Investments	1,288.06	-
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	75.40	-
Mr. Mahesh Kumar Jiwrajka	Sitting Fees	1.00	-
Mr. Salil Kumar Bhandari	Sitting Fees	0.50	-
Ms. Sushmita Singha	Sitting Fees	0.50	-
Mrs. Chitwan Mittal	Remuneration	28.23	-

e) Outstanding balances

₹ in Lakhs

Name of the related party	Nature of transaction	31 March 2019	31 March 2018
Greenpanel Singapore Pte. Limited	Sale of products	1,150.77	-
Greenlam Industries Limited	Sale of products	66.04	-
	Purchase of products	3.84	-
Greenply Industries Limited	Sale of products	1,145.23	-

f) Key Management Personnel compensation

Key management personnels compensation comprised of the following:

₹ in Lakhs

Nature of transaction	31 March 2019	31 March 2018
Short-term employee benefits	286.14	-
Other long-term benefits	34.40	-
Total compensation paid to key management personnel	**320.54**	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

39. Related party disclosure (contd.)

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the 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 Company, in accordance with shareholders' approval, wherever necessary.

g) 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 Company 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

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:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets at amortised cost		
Non-current		
Loans	1,086.48	-
Current		
Trade receivables	5,236.25	-
Cash and cash equivalents	1,810.37	5.07
Other bank balances	28.54	-
Loans	32.32	-
Other financial assets	2,918.69	-
	11,112.65	**5.07**
Financial assets at fair value through profit and loss		
Current		
Level 2		
Derivatives	10.39	-
	10.39	**-**
Total Financial Assets	**11,123.04**	**5.07**
Financial liabilities at amortised cost		
Non-current		
Borrowings	45,365.66	-
Other financial liabilities	1,253.00	-
Current		
Borrowings	4,541.70	-
Other financial liabilities	10,780.17	-
Trade payables	8,150.22	0.25
	70,090.75	**0.25**

Notes to the Standalone Financial Statements for the year ended 31 March 2019

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 Company 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 company 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:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets - Level 2		
Derivatives	10.39	-

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 Company has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Company'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 Company operations. The Company'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 Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company 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 Company'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 Company's risk management assessment and policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

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

Notes to the Standalone Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

The sources of risks which the Company 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. The Company 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 Company 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 Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Company'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:

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from a top customer	9.97%	-
Revenue from top five customers	21.09%	-

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 Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments amd 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 Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables. The said provision has been netted off under trade receivables.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 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 Company 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 Company'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 Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company'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 Company's reputation.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

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 ₹ in Lakhs

Particulars	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	14,065.79	30,466.77	18,056.64	62,589.20
Trade payables	8,150.22	-	-	8,150.22
Other financial liabilities	2,723.95	1,253.00	-	3,976.95
Derivatives	-	-	-	-
	24,939.96	**31,719.77**	**18,056.64**	**74,716.37**

31 March 2018 ₹ in Lakhs

Particulars	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Derivatives	-	-	-	-
	-	-	-	-

* including estimated interest

(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 Company 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 Company'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 Company evaluates exchange rate exposure arising from foreign currency transactions. The Company 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 Company's exposure to foreign currency at the end of the reporting period are as follows: ₹ in Lakhs

Particulars	Currency	As at 31 March 2019		As at 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		-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

₹ in Lakhs

Particulars	Currency	As at 31 March 2019		As at 31 March 2018	
		Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
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.

₹ in Lakhs

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	-

(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 Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowing with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates in mitigated through interest rate swaps. The Company 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 Company's interest bearing financial instruments at the end of the reporting period are as follows:

₹ in Lakhs

Particulars	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-
Effect of interest rate swaps	(7,602.10)	-
	(7,602.10)	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(59,237.91)	-
	(59,237.91)	-
Effect of interest rate swaps	7,602.10	-
	(51,635.81)	-

Notes to the Standalone Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

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:

₹ in Lakhs

Particulars	Nature	Effect	31 March 2019	31 March 2018
Variable rate instruments	Profit or loss	Strengthening	(592.38)	-
		Weakening	592.38	-
	Equity, net of tax	Strengthening	(387.37)	-
		Weakening	387.37	-
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	(516.36)	-
		Weakening	516.36	-
	Equity, net of tax	Strengthening	(337.66)	-
		Weakening	337.66	-

43. Capital management

The Company'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 Company'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 Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less liquid investments divided by total equity.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Total debt (Bank and other borrowings)	57,857.31	-
Less: Cash and cash equivalents	1,810.37	5.07
Adjusted net debt	56,046.94	(5.07)
Equity	68,036.83	4.81
Debt to Equity (net)	0.82	(1.05)

In addition, the Company 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 Company.

44. Segments information

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

45. Taxation

The Company 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 Company 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2019

46. Dues to Micro enterprises and small enterprises

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(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)

48. Scheme of Arrangement

48.1 Pursuant to the Composite Scheme of Arrangement ('the scheme') between Greenply Industries Limited (Greenply), the 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 Alkemal (Singapore) Pte. Ltd. (registered in Singapore)., have been transferred to and vested in the 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 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:

₹ in Lakhs

Particulars	Amount
Assets	
(1) Non-current assets	
(a) Property, plant and equipment	35,500.11
(b) Capital work-in-progress	73,348.65
(c) Other intangible assets	117.13
(d) Financial assets	
(i) Investments	3,432.00
(ii) Loans	1,042.39
(e) Other non-current assets	2,319.98
Total non-current assets	**1,15,760.26**

Notes to the Standalone Financial Statements for the year ended 31 March 2019

48. Scheme of Arrangement (contd.)

Particulars	Amount
(2) Current assets	
(a) Inventories	10,207.37
(b) Financial assets	
(i) Trade receivables	5,729.99
(ii) Cash and cash equivalents	398.88
(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	4,747.26
Total current assets	**22,826.42**
Total assets	**1,38,586.68**
Liabilities	
(1) Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	40,919.40
(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	**51,666.93**
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	3,047.50
(ii) Trade payables	8,653.13
(iii) Other financial liabilities	7,812.17
(b) Other current liabilities	3,603.65
(c) Provisions	196.69
Total current liabilities	**23,313.14**
Total liabilities	**74,980.07**

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 Company as under:

₹ in Lakhs

Particulars	Amount
Share Capital	1,226.27
Capital Reserve	62,380.34
Total	**63,606.61**

48.4 Other Matters:

a) The 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 alloted to Greenply has been cancelled and the 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 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 company in the ratio of 1:1.

d) The immovable assets of the 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 Company) under the Companies Act, 2013 in respect of certain credit facilities taken from various banks for itself and for various undertakings of

Notes to the Standalone Financial Statements for the year ended 31 March 2019

48. Scheme of Arrangement (contd.)

the Company. As the legal ownership of the immovable assets have not yet been transferred to the Company, Greenply continues to enjoy credit facilities by the subsisting charges, mortgages and encumbrances over such assets. Vice Versa, the 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 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 Company, the mutation of title/assignment of leases thereof in the name of the Company are yet to be made and recorded by the appropriate authorities. Notwithstanding the same, the 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.

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 standalone financial statements of the previous year were audited by a firm of chartered accountants other than S.S. Kothari Mehta & Co.

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 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

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

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 Registration No. 000756N

Date: July 19, 2019
Place: New Delhi
UDIN: 19087294AAAADO8774

Sunil Wahal
Partner
Membership No: - 087294

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

Date: July 19, 2019
Place: New Delhi
UDIN: 19087294AAAADO8774

Sunil Wahal
Partner
Membership No: - 087294

Consolidated Balance Sheet as at 31 March 2019

₹ in Lakhs

Particulars	Note	As at 31 March 2019	As at 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

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lakhs

Particulars	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

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration number.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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Banibrata Desarkar
Company Secretary & VP-Legal

Place : Gurgaon
Dated : 19 July 2019

Consolidated Statement of changes in equity for the year ended 31 March 2019

a) Equity share capital

₹ in Lakhs

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

₹ in Lakhs

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.**
Chartered Accountants
Firm Registration number.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

Shiv Prakash Mittal
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(DIN : 00347517)

V. Venkatramani
Chief Financial Officer

Banibrata Desarkar
Company Secretary & VP-Legal

Place : Gurgaon
Dated : 19 July 2019

Consolidated Statement of Cash Flows for the year ended 31 March 2019

₹ in Lakhs

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flows from operating activities**		
	Profit before Tax	1,238.45	(5.19)
	Adjustments for:		
	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)
	Working capital adjustments:		
	(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**

Consolidated Statement of Cash Flows for the year ended 31 March 2019

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:

₹ in Lakhs

Particulars	As on 31 March 2018	Adjusted pursuant to Scheme of Arrangement (See Note 48)	Cash flows	Fair value changes	As on 31 March 2019
Non-current Borrowings including current maturities (Note 19)	-	43,039.71	11,439.93	(369.96)	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.**
Chartered Accountants
Firm Registration number.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

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 cashflows

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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.

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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).

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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 paramount, 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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:

Asset	Useful life as per Schedule II
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).

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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

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 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

(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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

4. Property, plant and equipment

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

(a) Reconciliation of carrying amount

₹ in Lakhs

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost (Gross carrying 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	-	-	(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).

5. Capital work-in-progress

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	**379.33**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

5. Capital work-in-progress (contd.)

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital work-in-progress includes:		
Expenditure incurred during construction period on new manufacturing facility of the group:		
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	-
	2,044.47	-
Less: Capitalised during the year	9,100.61	-
At the end of the year	-	-

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

₹ in Lakhs

	Computer software
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
Additions	-
Disposals/write-off	-
Balance at 31 March 2019	**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
Amortisation for the year	44.75
Adjustments/ disposals	-
Balance at 31 March 2019	**149.63**
Carrying amounts (net)	
At 31 March 2018	-
At 31 March 2019	**72.38**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

8. Loans

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposits	1,201.69	-
Loan to employees	32.00	-
	1,233.69	-
Current		
Loan to employees	32.32	-
	1,266.01	-

9. Current tax liabilities

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax liabilities	90.59	-

10. Inventories

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

See accounting policy in note 3(f)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	1,909.42	-
	13,446.36	-

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

₹ in Lakhs

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

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

12. Cash and cash equivalents

See accounting policy in note 3(s)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	-
	1,956.59	5.07

13. Other bank balances

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date*	28.54	-

*Pledged/lodged with various government authorities as security

14. Other non-current assets

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	-
	1,653.47	-

15. Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Government grants receivable	2,892.73	-
Export incentive receivable	18.95	-
Insurance claim receivable	3.79	-
Interest Receivable	3.22	-
	2,918.69	-

16. Other current assets

(Unsecured, considered good)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
To parties other than related parties		
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	-
	5,824.21	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

17. Equity share capital

See accounting policy in note 3(q)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
150,000,000 (31 March 2018: 10,000,000) equity shares of ₹1 each*	1,500.00	100.00
* 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	-	10.00

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	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	-	-	10,00,000	10.00

(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

₹ in Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Equity share capital suspense	1,226.27	-

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)

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

18. Other equity

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve		
At the commencement of the year	-	-
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)	59,808.56	-
	59,808.56	**-**
Retained earnings		
At the commencement of the year	(5.19)	-
Add: Profit for the year	3,457.44	(5.19)
	3,452.25	**(5.19)**
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	22.66	-
	62.72	**-**
	63,323.53	**(5.19)**

(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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Retained earnings		
Exchange differences in translating financial statements of foreign operations	40.06	-
Remeasurements of defined benefit liability/ (asset)	22.66	-
	62.72	**-**

19. Borrowings

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings		
Secured		
Term loans		
From banks		
Foreign currency loans	38,646.86	-
Rupee loans	13,479.19	-
	52,126.05	**-**
Less: Current maturities of long term borrowings (refer note 20)	7,663.70	-
	44,462.35	**-**
Loan against vehicles	1,983.63	-
Less: Current maturities of loan against vehicles (refer note 20)	479.45	-
	1,504.18	**-**
	45,966.53	**-**
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	-
	2,236.71	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

19. Borrowings

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
From banks		
Channel finance assurance facility	210.65	-
Foreign currency loan - bill discounting	159.68	-
Rupee loans - bill discounting	1,934.66	-
	2,304.99	-
	4,541.70	-

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

(A) Terms of repayment

₹ in Lakhs

Name of the lender	Interest rate	Repayment schedule	Year of maturity	As at 31 March 2019	As at 31 March 2018
(i) Foreign currency term loans					
Landesbank Baden-Wurttenberg [**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	-

(B) Details of security

(a) Term loan from Landesbank Baden-Wurttenberg (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-Wurttenberg. 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 favour 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 Chittor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttenberg.

(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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

19. Borrowings (contd.)

(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 Chittor (Andhra Pradesh) along with any other movable fixed assets exclusively charged to Landesbank Baden-Wurttenberg.

(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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposits from customers	1,253.00	-
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	315.72	-
	10,973.37	-

(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)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	459.26	-
Liability for compensated absences	331.56	-
	790.82	-
Current		
Provisions for employee benefits:		
Net defined benefit liability - gratuity	225.62	-
Liability for compensated absences	157.41	-
	383.03	-

22. Other non-current liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred income on Government grants	4,529.95	-

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

23. Trade payables

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Dues to micro and small enterprises (Refer note 46)	0.81	-
Dues to other than micro and small enterprises	8,156.08	0.25
	8,156.89	**0.25**

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)

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Foreign exchange forward contracts	12.74	-
Foreign exchange interest rate swaps	(23.13)	-
(Asset)/Liability	**(10.39)**	**-**

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

25. Other current liabilities

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues	652.92	0.01
Deferred income on Government grants	2,400.00	-
Advance from customers	301.43	-
	3,354.35	**0.01**

26. Revenue from operations

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

₹ in Lakhs

Particulars	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	-
	1,648.92	**-**
	59,911.39	**-**
Reconciliation of revenue from sale of products with the contracted price		
Contracted price	62,466.51	-
Less : Trade discounts, volume rebates etc.	(4,204.04)	-
Sale of products	**58,262.47**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

26. Revenue from operations (contd.)

Disaggregated revenue information

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

₹ in Lakhs

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)	**14,116.15**	**44,146.32**	**58,262.47**
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	**14,116.15**	**44,146.32**	**58,262.47**

₹ in Lakhs

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)	-	-	-
Revenue by geography:			
- India	-	-	-
- Outside India	-	-	-
Total revenue from contracts with customers	-	-	-

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

₹ in Lakhs

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**

₹ in Lakhs

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	-	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

26. Revenue from operations (contd.)

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

₹ in Lakhs

Particulars	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	**-**

28. Cost of materials consumed

₹ in Lakhs

Particulars	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	(3,695.02)	-
	29,006.74	**-**

29. Purchase of stock in trade

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchase of traded goods	876.24	-
	876.24	**-**

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

See accounting policy in note 3(f) ₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventories		
Work-in-progress	-	-
Finished goods	-	-
	-	**-**
Add: Amount adjusted pursuant to Scheme of Arrangement (See Note 48)		
Work-in-progress	1,381.56	-
Finished goods	2,246.33	-
	3,627.89	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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

See accounting policy in note 3(f) ₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Closing inventories		
Work-in-progress	2,423.13	-
Finished goods	5,418.79	-
	7,841.92	**-**
Effect of foreign exchange fluctuations	3.85	-
	(4,210.18)	**-**

31. Employees benefits expense

See accounting policy in note 3(i) ₹ in Lakhs

Particulars	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	-
	8,075.65	**-**

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.

(c) **Actuarial valuation of gratuity liability** ₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

31. Employees benefits expense (contd.)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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)

32. Finance costs

See accounting policy in note 3(p)

₹ in Lakhs

Particulars	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)	-
	2,463.24	-

33. Depreciation and amortisation expense

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

₹ in Lakhs

Particulars	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	-
	5,303.34	-

34. Other expenses

₹ in Lakhs

Particulars	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	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

34. Other expenses

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payment to auditors [refer note 34 (i) below]	29.22	0.11
Expenditure on corporate social responsibility	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
	18,427.41	**5.19**

34 (i) Payment to auditors

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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	-	-
	29.22	**0.11**

35. Income tax

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	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**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

35. Income tax

See accounting policy in note 3(o)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(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)**	**-**

36. Earnings per share

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
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)

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 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	-

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	-

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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 Jiwrajka, Non-Executive Independent Director
iv) Mr. Salil Kumar Bhandari, Non-Executive Independent Director
v) Ms. Sushmita 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

c) **Related party transactions**

₹ in Lakhs

Name of the related party	Nature of transaction	31 March 2019	31 March 2018
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. Sushmita Singha	Sitting Fees	0.50	-
Mrs. Chitwan Mittal	Remuneration	28.23	-

d) **Outstanding balances**

₹ in Lakhs

Name of the related party	Nature of transaction	31 March 2019	31 March 2018
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:

₹ in Lakhs

Nature of transaction	31 March 2019	31 March 2018
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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

39. Related party disclosure (contd.)

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

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 Consolidated Balance Sheet are as follows:

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	-
	10,731.69	**5.07**
Financial assets at fair value through profit and loss		
Current		
Level 2		
Derivatives	10.39	-
	10.39	**-**
Total Financial Assets	**10,742.08**	**5.07**
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
	70,891.49	**0.25**

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

41. Fair value measurement (contd.)

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:

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets - Level 2		
Derivatives	10.39	-

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

(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.

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:

₹ in Lakhs

Particulars	Year ended 31 March 2019	Year ended 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 amd 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.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 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 ₹ in Lakhs

Particulars	< 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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

31 March 2018 ₹ in Lakhs

Particulars	< 1 year	1 - 5 years	> 5 years	Total
Borrowings (including current maturities)*	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Derivatives	-	-	-	-
	-	-	-	-

* including estimated interest

(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:

₹ in Lakhs

Particulars	Currency	As at 31 March 2019		As at 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

42. Financial risk management (contd.)

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	-

(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 in 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:

₹ in Lakhs

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

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:

₹ in Lakhs

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	-

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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

43. Capital management (contd.)

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.

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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.

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

44. Operating segments (contd.)

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 liabilities	-	-	-	-	-

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

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

₹ in Lakhs

	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	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

44. Operating segments (contd.)

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

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
(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)

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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 Alkemal (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**

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

48. Scheme of Arrangement (contd.)

Particulars	Amount
(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**

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 alloted 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.

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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

Sunil Wahal
Partner
Membership No: 087294

Place : Gurgaon
Dated : 19 July 2019

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

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

Notes

Notes

Corporate Information

Board of Directors

Mr. Shiv Prakash Mittal, *Executive Chairman*
Mr. Shobhan Mittal, *Managing Director & CEO*
Mr. Mahesh Kumar Jiwrajka
Mr. Salil Kumar Bhandari
Mr. Arun Kumar Saraf
Ms. Sushmita Singha

Audit Committee

Mr. Salil Kumar Bhandari, Chairman
Mr. Mahesh Kumar Jiwrajka
Ms. Sushmita Singha
Mr. Shiv Prakash Mittal

Stakeholders Relationship Committee

Mr. Mahesh Kumar Jiwrajka, Chairman
Mr. Shiv Prakash Mittal
Mr. Shobhan Mittal

Nomination & Remuneration Committee

Mr. Salil Kumar Bhandari, Chairman
Mr. Mahesh Kumar Jiwrajka
Ms. Sushmita Singha

Corporate Social Responsibility Committee

Ms. Sushmita Singha
Mr. Shiv Prakash Mittal
Mr. Shobhan Mittal

Operational Committee

Mr. Shiv Prakash Mittal
Mr. Shobhan Mittal
Mr. Arun Kumar Saraf

Chief Financial Officer

Mr. Vishwanathan Venkatramani

Chief Investor Relations Officer

Mr. Vishwanathan Venkatramani, CFO

Company Secretary & Vice President-Legal

Mr. Banibrata Desarkar

Bankers/financial institutions

Axis Bank Limited
HDFC Bank Limited
Landesbank Baden-Wurttemberg
Standard Chartered Bank
State Bank of India

Statutory Auditors

M/s. S. S. Kothari Mehta & Company
(FRN: 000756N)
Plot No. 68, Okhla Industrial Area, Phase – III,
New Delhi - 110020

Registrar & Share Transfer Agent

M/s. Maheshwari Datamatics Private Limited
23 R N Mukherjee Road, 5th Floor,
Kolkata - 700001

Registered Office

Makum Road, P.O. Tinsukia,
Assam - 786 125

CIN

U20100AS2017PLC018272

Corporate Office

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163 S. P. Mukherjee Road
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