

EPACK PREFAB TECHNOLOGIES LIMITED**(Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED)****U74999UP1999PLC116066****Annexure V - Material Accounting Policies to Restated Consolidated Financial Information***All amounts are in INR Millions unless otherwise stated***Corporate information:**

EPACK PREFAB TECHNOLOGIES LIMITED (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED) (the 'Holding Company') having CIN U74999UP1999PLC116066 is a public unlisted company incorporated in India. The registered office of the Holding Company is located at 61-B, Udyog Vihar Surajpur, Kasna Road, Gautam Buddha Nagar, Greater Noida, Uttar Pradesh, India - 201306.

The Holding Company is engaged in the business of manufacturing of EPS (Expanded Polystyrene) Packaging and Pre-engineered and Prefabricated Building Solutions.

The Restated Financial Information is prepared for the Holding Company and its subsidiaries and associate together referred to as the (the "Group").

The Holding Company, its subsidiary (jointly referred to as the 'Group' herein under) and its associate are considered in these Restated Financial Information. The Holding Company has converted from a Private Limited Company to a Public Limited Company, pursuant to a resolution of shareholders passed in the extraordinary general meeting of the shareholders of the Company held on December 04, 2024 and consequently the name of the Company has changed to Epack Prefab Technologies Limited vide Certificate issued by ROC on December 11, 2024.

Name of the Subsidiary / Associate	% of Holding as at			Country of Incorporation	Principal Activity
	31 st March 2025	31 st March 2024	31 st March 2023		
Epack Prefab Solutions Private Limited	100%	100%	100%	India	Manufacturing of Expandable Beads
Epack Petrochem Solutions Private Limited	-	-	100% (till January 16, 2023)	India	Manufacturing of Electronics Goods & Component, EPS Resin and its finished products
Interest in associate:					
Epack Petrochem Solutions Private Limited	9.09%* (40.00% till September 30, 2024) (Note – 2)	40%	40%* (wef January 16, 2023) (Note – 1)	India	Manufacturing of Electronics Goods & Component, EPS Resin and its finished products

*** Note:**

1. As at January 16 2023, the holding of Company Epack Prefab Technologies Limited (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED) into Epack Petrochem Solution Private Limited (Subsidiary Company) has been reduced from earlier 100 % to 40 %, due to change in Share Holding of Epack Petrochem Solution Private Limited. Consequently, with effect from January 16, 2023, Epack Petrochem Solution Private Limited ceased to be subsidiary company (i.e. Loss of Control) of Epack Prefab Technologies Limited (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED) but having significant influence as on January 16, 2023 (i.e. holding of 40%) becomes its Associate Company wef January 16, 2023.
2. As at September 30, 2024, the holding of Company Epack Prefab Technologies Limited (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED) into Epack Petrochem Solution Private Limited (Associate Company) has been reduced from earlier 40 % to 9.09 %, due to change in Share Holding of Epack Petrochem Solution Private Limited. Consequently, with effect from September 30, 2024, Epack Petrochem Solution Private Limited ceased to be Associate company (i.e. Loss of Significance Influence) of Epack Prefab Technologies Limited (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED).

1. Summary of basis of compliance, basis of preparation & measurement, key accounting estimates & judgements and material accounting policies:

This note provides a list of the material accounting policies adopted in the preparation of these Restated Consolidated Financial Information.

1.1 Basis of compliance:

The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31st March 2025, 31st March 2024 and 31st March 2023, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended 31st March 2025, 31st March 2024, and 31st March 2023 and the Material Accounting Policies and other explanatory information relating to such financial periods (referred to collectively as 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Red Herring Prospectus ('RHP') and Prospectus in connection with the proposed Initial Public Offering of equity shares of face value of Rs. 2 each of the Holding Company comprising a Fresh issue and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Holding Company in terms of the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- (b) ICDR Regulations;
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"); and

The Restated Consolidated Financial Information of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time

to time), presentation requirements of Division II of Schedule III of the Act, as applicable to the financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information of the Group were authorized for issue by the Board of Directors at their meeting held on 02nd September 2025.

These Restated Consolidated Financial Information of the Group have been compiled from:

- (a) Audited Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2025 prepared in accordance with recognition and measurement principles under Ind AS as specified under section 133 of the Act and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act which have been approved by the Board of Directors at their meeting held on 7th July 2025.
- (b) Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2024 and 31st March 2023 which were prepared by the Holding Company after taking into consideration the requirements of the ICDR Regulations and were approved by the Board of Directors at their meeting held on December 18, 2024.

The Group had adopted 31st March 2025 as reporting date for voluntarily first-time adoption of Indian Accounting Standards as notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act and consequently 1st April 2023 as the voluntarily transition date for preparation of its Statutory Ind AS Consolidated Financial Statements for the year ended 31st March 2025. For periods up to and including the year ended 31st March 2024, the Holding Company prepared its consolidated financial statements in accordance with Accounting Standards ("Indian GAAP") notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The Audited Special Purpose Ind AS Consolidated Financial Statements for the year ended 31st March 2024 and 31st March 2023 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following the accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as at the transition date and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended on 31st March 2025. Adjustments made to the previously issued Indian GAAP Financial Statements to comply with Ind AS have been audited by Talati and Talati LLP. The basis of preparation for specific items where exemptions have been applied and reconciliation between Indian GAAP and Ind AS has been disclosed in Note 01.

In pursuance to the ICDR Regulations, for the purpose of Audited Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended 31st March 2024 and 31st March 2023, the transition date is considered as 1st April 2021. These Special Purpose Ind AS Consolidated Financial Statements as at and for the year ended 31st March 2024 and 31st March 2023 are not the statutory consolidated financial statements under the Companies Act, 2013.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Audited Ind AS Consolidated Financial Statements as at and for the year ended 31st March 2025.

These Restated Consolidated Financial Information have been prepared on a going concern basis.

These Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the Consolidated Financial Statements as at and for the years ended 31st March 2025, 31st March 2024 and 31st March 2023 as mentioned above.

The Restated Consolidated Financial Information:

- (a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March 2024 and 31st March 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31st March 2025.
- (b) Do not require any adjustment for modification as there is no modification in the underlying audit reports; and
- (c) Have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI e-mail.

All amounts included in the Restated Consolidated Financial Information are presented in Indian Rupees (“INR” or “₹”), which is also the Holding Company’s functional currency and all values are stated as INR or ₹ million rounded of up to two decimals, except when otherwise indicated.

1.2 Basis of preparation and presentation:

Historical cost convention:

The Restated Consolidated Financial Information have been prepared on historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) and;
- ii. Defined Benefits Plan – Plan Assets are measured at Fair Value.

Current versus non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

1.3 Key accounting judgments, estimates and assumptions:

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements

and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated Consolidated Financial Information and the reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Restated Consolidated Financial Information have been disclosed in the notes below:

A. Judgments:

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the Restated Consolidated Financial Information.

(a) Leases:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgment in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

B. Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and if material, then effects are disclosed in the notes to the Restated Consolidated Financial Information.

(a) Taxes:

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

(b) Defined benefit plans:

The cost of defined benefit plans (i.e. gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The same is disclosed in Note 40, 'Employee Benefit Expense'.

(c) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow (DCF) model, which involve various judgements and assumptions.

(d) Property, plant and equipment:

Property, plant and equipment represents significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by management at the time asset is acquired and reviewed periodically including at the end of each reporting period. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Material Accounting Policies:

1.4 Basis / Principles of Consolidation

Subsidiary:

A subsidiary is an entity that is, directly or indirectly, controlled by the Holding Company. Controls exists when the Holding Company, directly or indirectly, has power over the investee, 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 to direct the relevant activities of the entity.

Consolidation of a subsidiary begins when the Holding Company, directly or indirectly, obtains control over the subsidiary and ceases when the Holding Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Statement of Profit and Loss from the date the Holding Company, directly or indirectly, gains control until the date when the Holding Company, directly or indirectly, ceases to control the subsidiary.

The Restated Consolidated Financial Information relating to "**EPACK PREFAB TECHNOLOGIES LIMITED**" (the Holding Company) (Formerly known as EPACK PREFAB TECHNOLOGIES PRIVATE LIMITED and EPACK POLYMERS PRIVATE LIMITED) and its subsidiaries and Associates have been prepared on the following basis:

- (a) The Restated Consolidated Financial Information of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions resulting in unrealised Profit / (Loss) in accordance with the Ind AS 110 "Consolidated Financial Statements". The accounting policies of subsidiaries have been harmonised to ensure consistency with the policies adopted by the Holding Company.
- (b) Profits or losses resulting from intra-group transactions that are recognized in assets, such as Inventory, are eliminated in full.
- (c) The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's Special Purpose Ind AS Standalone Financial Statements.

- (d) The carrying amount of the Holding Company's investment in each subsidiary is offset (eliminated) against the Holding Company's portion of the equity in each subsidiary.
- (e) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests that are not owned, directly or indirectly, by the Holding Company.
- (f) Loss of Control:
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- i. Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- ii. Derecognises the carrying amount of any non-controlling interests.
- iii. Derecognises the cumulative translation differences recorded in equity.
- iv. Recognises the fair value of the consideration received.
- v. Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.
- vi. Recognises the fair value of any investment retained.
- vii. Recognises any surplus or deficit in profit or loss.

Associates

Investment in entities in which there exists significant influence but not a controlling interest are accounted for under the equity method i.e. the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition, as the case may be, which will be inherent in investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The Restated Consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee.

1.5 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

1.6 Property, plant and equipment: Recognition and measurement:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at its cost. Following the initial recognition, all items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes or levies, directly attributable cost of bringing the item to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Such cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Other indirect expenses incurred relating to project, net of income earned during the project

development stage prior to its intended use, are considered as pre-operative expenses and disclosed under capital work-in-progress.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The Group has carried out technical analysis for identification of significant components with different useful life with that of useful life of the original assets to which it belongs. However, based on technical analysis carried out by the plant's technical personnel, it has been observed that the useful lives of significant components are approximately equivalent to those of the original assets to which they belong. Consequently, separate useful lives are not assigned to significant components. All the significant components are depreciated based on the same useful life with that of original assets to which it belongs.

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 and cost of the item can be measured reliably.

Depreciation:

Depreciation on items of property, plant and equipment of Holding Company is provided to the extent of depreciable amount on the Straight Line Method (SLM) however the Epack Petrochem Solutions Private Limited provides the Depreciation on Written Down Value (WDV) Method. Depreciation is provided by the Group based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 Freehold land is not depreciated. Useful life considered for calculation of depreciation for various classes of assets are as under:

Sr. No.	Asset class	Useful life (Years)
1	Building	30
2	Computers	3
3	Furniture and Fittings	10
4	Vehicle / Motor Cars	8 – 10
5	Office Equipments	10
6	Electrical Installation (Fittings) / Plant & Machinery	10 / 15

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each reporting period. If any of these expectations differs from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

1.7 Capital work-in-progress:

Projects under which tangible assets are not yet ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Advances given towards acquisition of fixed assets outstanding at each balance sheet

date are disclosed as other non-current assets (Capital Advances) and not included as a part of capital work-in-progress.

Costs incurred during the period of implementation of a project, till it is commissioned, is accounted as capital work-in-progress and after commissioning the same is transferred/allocated to the respective item of property, plant and equipment.

1.8 Investment property:

Recognition and measurement:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Policies with respect to depreciation, useful life and de-recognition are followed on the same basis as stated for property, plant and equipment above.

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.

1.9 Intangible assets:

Recognition and Measurement:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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 is recognised in statement of profit and loss in the period in which expenditure is incurred.

Amortisation:

Intangible assets with finite lives are amortised over the estimated useful economic life using the Straight Line Method (SLM). The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The estimated useful life of intangible assets as determined by the Group is mentioned as below:

Sr. No.	Asset class	Useful life (Years)
1	Computer software	8-15

1.10 Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Group uses judgment in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgment involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and non-lease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period

of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed are variable or a combination of both.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the 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.

Right of Use Assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of lease.

Lease Liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, or a change in the lease payment

Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases /rent (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). In addition, these leases also meet the criteria for the low-value asset lease recognition exemption, as the constituent components are deemed to be of low individual value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

1.11 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A. Financial assets:

Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Subsequent measurement:

(a) Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost if it meets the following criteria:

- i) the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and
- ii) the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it meets the following criteria:

- i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

On de-recognition of such financial assets, cumulative gain or loss previously recognised in other comprehensive income is not reclassified from the equity to statement of profit and loss.

(c) Financial assets measured at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

(d) Investment in subsidiaries, associates and joint ventures:

The Group has accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any) in accordance with Ind AS 27 – Separate Financial Statements.

(e) Other equity investments:

All other equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the Group has elected to present the value changes in other comprehensive income. However, dividend on such equity investments is recognised in statement of profit and loss when the Group's right to receive payment is established.

Impairment of financial assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At each reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Group uses 12-months ECL method to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL method is used.

B. Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

Subsequent measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition of financial instruments:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and the proceeds received are recognized as borrowing.

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

D. Offsetting:

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

1.12 Fair value measurement:

The Group measures financial instruments, such as, investments, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.13 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., central office building 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 except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus. An impairment loss in respect of 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.

1.14 Foreign currencies transactions and translation:

Functional and Presentation Currency:

Items included in the Restated Consolidated Financial Information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's Restated Consolidated Financial Information are presented in Indian Rupee (INR) which is also the Group's functional and presentation currency.

Initial recognition:

On initial recognition, transactions in foreign currencies entered by the Group are recorded in the functional currencies, by applying to the foreign currency rate, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items (monetary assets and liabilities) of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the statement of profit and loss.

1.15 Cash and cash equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is-

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

A contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more of uncertain future events not wholly within the control of the entity. Contingent assets are disclosed in the Restated Consolidated Financial Information by way of notes to accounts when an inflow of economic benefits is probable.

1.17 Revenue recognition (Revenue from Contracts with Customers):

The Group derives revenue primarily from sale of manufactured products being “EPS (Expanded Polystyrene) Packaging and Pre-engineered and Prefabricated Building Solutions”. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of goods and services:

Revenue from sale of goods (including cartage) / services are recognised at the point of time when control of the promised goods/services are transferred to the customer, generally on dispatch/delivery of the goods/services except in case of export sales, which are recognised on the basis of bill of lading on satisfaction of performance obligation and transfer of control.

Sale of goods/services are recognised net of sales returns and trade discounts. Sales excludes amounts of indirect taxes on sales.

Sale of Pre-engineered and Prefabricated Building Contracts:

In respect of Pre-engineered and Prefabricated Building Contracts, revenue is recognised over a period of time using the input method (equivalent to percentage-of-completion method) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

Contracts are combined when the Group believes the underlying goods and services are a single performance obligations, single commercial objectives or the consideration in one contract depends on another. Otherwise, contracts are separated.

With respect to contracts where revenue is recognised over time, the Group measures the value of services for which control is transferred to the customer over time based on certification of work completed.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

Liquidated Damages represents the expected claim which the Group may need to pay for non-fulfilment of certain commitments as per terms of respective sales contracts. These are determined on case to case basis considering the dynamics of each contracts and factors relevant to that sale.

Installation Services:

The Group provides installation services that are bundled together with the sale of products to a customer. Contracts for bundled sale of products and installation services are considered as one performance obligations because company believes underlying goods and services are a single performance obligations single commercial objectives or the consideration in one contract depends on another. Hence the installation services has been considered as a part of Sale of Pre-engineered building contracts.

Sale of Building Materials:

Revenue from sale of Building Materials are recognised at a point in time when control of the asset is transferred to the customers generally on delivery of goods/materials. The payment terms depend upon each contract entered into with the customer.

Variable Consideration:

If the consideration in a contract includes a variable amount, the Group estimate the amount of consideration to which it will be entitled in exchange for transferring the goods to the customers. The variable consideration is estimated at the contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant Financing Component:

The Group applies the practical expedient for short term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the year between the transfer of the promised goods or service and the payment is one year or less.

(b) Contract Balances:

i) Contract Assets:

Revenue earned but not billed to customers against erection and sale of goods and services is reflected as Contract Assets because the receipt of consideration is conditional on Group's performance under the contract (i.e. transfer control of related goods or services to the Customers). On completion of installation and acceptance by the customer, the amount recognised as contract asset is reclassified to Trade Receivables.

Contract Assets are subject to impairment assessment (refer material accounting policies related to impairment of financial assets).

ii) Contract Liabilities:

A contract liability is recognised if a payment is received or payment is due (whichever is earlier) from a contract before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customers).

(c) Dividend and interest income:

Dividend income from investments is recognised when the Group's right to receive the payment has been established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

(d) Rental income:

Rental income from investment property is recognised in the statement of profit and loss over the term of the lease.

(e) Insurance claims:

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exists for the measurement and realisation of the amount.

Insurance claims, other than claim filed against fire accident, have been booked on receipt basis.

(f) Miscellaneous income:

All other income is recognized on an accrual basis, when there is no uncertainty in its ultimate realization/collection.

1.18 Government grants, subsidies and export incentives:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants/subsidies relating to the purchase of property, plant and equipment are deducted from the Carrying amount of the Assets. The Grant is recognised in the Statement of Profit and Loss over the useful life of the depreciable assets.

1.19 Inventories:

Inventories have been valued on the following basis:

Nature of inventories	Basis of inventories valuation
Raw material stock	Inventories of raw materials are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Cost of raw material excludes all taxes and duties.
Semi-finished (WIP) goods stock	Semi-finished (WIP) goods stocks are valued at cost plus appropriate overheads directly attributable to manufacturing activity.
Finished goods stock	Inventories of finished goods are valued at the lower of cost and net realisable value. Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Packing material stock	Packing material stocks are valued at cost.
Stores & spares and Consumables Stock	Stores & spares and Consumables stocks are valued at cost.
Stock in transit	Stock in transit stocks are valued at material cost.

Further imported goods received and laying at port as at balance sheet date and the same is received in factory during the subsequent month has been included in Inventories as goods in transit as at balance sheet date.

The comparison of cost and net realisable value is made on an item-by item basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

1.20 Employee benefits expense:

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined contribution plans:

The Group's contribution paid/payable during the period to Provident fund, Superannuation Fund and Pension Scheme and other welfare funds are considered as defined contribution plans.

Recognition and measurements of defined contribution plan:

The contribution paid/payable under those plans are recognised as an expense, in the statement of profit and loss during the period in which the employee renders the services.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plans:

The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation superannuation. The gratuity is paid @15 days' basic salary for every completed year of service as per the Payment of Gratuity Act, 1972.

Recognition and measurements of defined benefit plan:

The liability in respect of gratuity and other post-employment benefits is calculated using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses are recognised immediately in other comprehensive income.

1.21 Tax expenses:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income, in which case, the tax is also recognised in other comprehensive income.

(a) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Indian Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authorities, based on tax rates and laws that are enacted at the balance sheet date.

(b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Consolidated Financial Information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

(c) Minimum alternate tax (MAT):

Minimum Alternate Tax (MAT) credit is recognised if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of the years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent MAT liability.

(d) Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax income/expense are recognised in other comprehensive income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

1.22 Borrowing costs:

Borrowing costs includes interest & exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset. All other borrowing costs are recognised as an expensed in the period in which they occur.

1.23 Earnings per share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

1.24 Segment Reporting (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, whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Group identifies operating segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the segments for the purpose of making decisions about resource allocation and performance assessment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

The operating segment has been identified and reported taking into account its internal financial reporting, performance evaluation and organizational structure of its operations. Operating segment is

reported in the manner evaluated by board, considered as chief operating decision maker under Ind AS 108 “Operating Segments”.

The Group has two segment of activity, namely “EPS (Expanded Polystyrene) Packaging and Pre-engineered and Prefabricated Building Solutions”, in accordance with the definition of “Segment” covered under Indian Accounting Standards (Ind AS) 108 on operating segments

1.25 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

1.26 Events occurred after the balance sheet date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Restated Consolidated Financial Information. Otherwise, events after the balance sheet date of material size or nature are only disclosed.