1 Corporate information

Essel Propack Limited (hereinafter referred to as 'EPL' or 'the Company' or 'the parent company') is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company's registered office is located at P.O. Vasind , Taluka : Shahapur District: Thane, Maharashtra -421604 , India. The Company is engaged in manufacture of plastic packaging material in the form of multilayer collapsible tubes and laminates used primarily for packaging of consumer products in the Beauty & Cosmetics, Health & Pharmaceuticals, Food, Home and Oral care categories.\

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the year ended 31 March 2020 were authorised for issue by the Board of Directors at their meeting held on 22 May 2020.

2 Basis of preparation and other significant accounting policies

2.1 Basis of preparation of financial statements

a) The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and rules framed thereunder and guidelines issued by Securities and Exchange Board of India (SEBI).

These financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities (including derivative instruments), non-current asset held for sale, defined benefit plan assets and liabilities and share based payments being measured at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or a liability at the measurement date.

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs (00,000), except otherwise indicated. Zero '0' denotes amount less than a lakh.

b) Current and non-current classification

Assets and liabilities are classified as current if expected to realise or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Accounting pronouncements issued

i) New Standards adopted

Ind AS 116 " Leases"

The Companies (Indian Accounting Standards) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 116 "Leases" which replaced Ind AS 17. The revised standard eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months to bring the previous off-balance sheet leases on the balance sheet in a manner largely comparable to current finance lease accounting.

The Company has, as a lessee, adopted Ind AS 116 w.e.f. 1 April 2019 using the modified retrospective approach to replace rent expenses in the statement of profit and loss with interest and depreciation. Lease payments associated with short-term leases or those for which the underlying asset is of low value are recognised as an expense in the statement of profit and loss.

Comparative amounts have not been adjusted and continued to be reported in accordance with Ind AS 17 "Leases". Refer note 2.3 (b) and (q) below for the Company's accounting policy for Right-of-use assets, depreciation and lease liability as per Ind AS 116. The summary of practical expedients elected on initial application and effect of adoption of Ind AS 116 on the financial statements is disclosed in Note 49.

2.3 Summary of significant accounting policies

a) Investment in subsidiaries

Investments in subsidiaries are accounted at cost in accordance with Ind AS 27 "Separate financial statements".Refer note 6 for the list of significant investments.

b) Property, plant and equipment and right-of-use assets

i) Free hold land is carried at cost. Other property, plant and equipment are stated at original cost of acquisition/installation (net of goods and services tax) less accumulated depreciation and impairment loss, if any. Cost includes cost of acquisition, construction and installation, taxes, duties, freight and other incidental expenses that are directly attributable to bringing the asset to its working condition for its intended use and estimated cost for decommissioning of an asset. Further, in respect of accounting periods commencing on or after 7 December, 2006, exchange differences arising on reporting of long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the assets and depreciated over the balance life of the asset, where these monetary items pertain to the acquisition of depreciable property, plant and equipment.

ii) Capital work-in-progress comprises cost of property, plant & equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

iv) On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment and right-of-use assets

i) Depreciation on property, plant and equipment is provided to the extent of depreciable amount on straight-line method over the useful life of asset as specified in Part-C of Schedule II to the Act. Depreciation is charged on pro-rata basis for asset purchased / sold during the year. Depreciation on the following assets is provided considering a shorter useful life as compared to Schedule II useful life, based on management estimate in view of possible technology obsolescence and product life cycle implications.

Assets	Useful life
Tooling, Moulds, Dies	7 years
Hydraulic works, Pipelines and Slucies (HWPS)	10 years
Overhauling of plant and machinery	5 years

ii) ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

iii) Leasehold improvements are amortised over the normal period of lease.

c) Intangible assets

i) Intangible assets are stated at cost of acquisition less accumulated amortisation. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

ii) On transition to Ind AS, the Company had elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

iii) Intangibles assets with finite lives are amortised as follows:

- Softwares : ERP software 10 years and others 3 years

- Patents : 10 years

d) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

e) Non-current assets held for sale

The Company classifies non-current assets as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held-for-sale only if the management expects to complete the sale within one year from the date of classification. Non- current assets classified as held-for-sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held-for-sale are not depreciated or amortized.

f) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of such borrowings. All other borrowing costs are charged to the statement of profit and loss as finance costs. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs under Ind AS 23.

g) Financial assets

i) Recognition and measurement

The Company at initial recognition measures a financial asset at its fair value plus transaction costs that are directly attributable to it's acquisition. However, transaction costs relating to financial assets to be subsequently valued at fair value through profit or loss(FVTPL) are expensed in the statement of profit and loss for the year.

The Company subsequently recognises its financial assets either at FVTPL, fair value through other comprehensive income (FVOCI) or at amortised cost, based on the Company's business model for managing the financial assets and their contractual cash flows. This has been explained below separately for debt instruments and equity instruments.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on such instruments is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in interest income using the effective interest rate method (EIR).

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. Gain and losses on fair value of such instruments are recognised in the statement of profit and loss. Interest income from these financial assets is included in other income.

ii) Equity instruments

The Company subsequently measures all equity instruments (other than investments in subsidiaries) at fair value. Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss in the event of de-recognition. Dividends from such instruments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) De-recognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

h) Derivatives and embedded derivatives

i) The Company enters into certain derivative contracts (mainly foreign exchange forward contracts) to hedge risks, which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are recognised in the statement of profit and loss.

ii) Derivatives embedded in a host contract that are assets within the scope of Ind AS 109 or are closely related to the host contract, are not separated. Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and are measured at fair value through profit or loss.

i) Borrowings and other financial liabilities

i) Borrowings and other financial liabilities are initially recognised at fair value net of transaction costs incurred that are directly attributable to the acquisition of the financial liability .

ii) Subsequently recognition is done at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included in finance costs in the statement of profit and loss.

iii) Borrowings and other financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss.

j) Employee benefits

i) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

ii) Defined benefit plans

a) Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

b) Re-measurement of the net defined benefit liability, which comprises of 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 in the period in which they occur.

iii) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

k) Share based payments

Equity settled share based compensation benefits are provided to employees under the Essel Employee Stock Option Scheme 2014. The fair value of options granted under the Essel Employee Stock Option Scheme 2014 is recognised as an employee benefits expense with a corresponding increase in equity as "Share options outstanding account". The total amount to be recognised is determined by reference to the fair value of the options granted:

• including any market performance conditions (e.g., the entity's share price)

• excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

• including the impact of any non-vesting conditions (e.g. the requirement for employees holdings shares for a specific period of time).

The total expenses are amortised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service and non-market performance vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity. In case vested options forfeited or expires unexercised, the related balance standing to the credit of the "Share options outstanding account" is transferred to "Retained earnings".

In case of equity settled share based payments to employees of subsidiaries, in the separate financial statements, the parent company recognises the impact in the investment in the subsidiaries.

l) Revenue recognition

i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer involving single performance obligation , which is generally at the time of delivery as per the contract. In case of exports , the control is deemed to be transferred when the goods are shipped. There is no continuing management involvement with the goods, and the amount can be measured reliably. It is measured at the fair value of the consideration received or receivable net of returns, trade discounts, volume rebates and goods and services tax.

Revenue from royalty and service charges

- Revenue from royalty received under the licensing agreements are recognised over the period during which the underlying sales are recognised as per the terms of agreement.

- Revenue from services are recognized over period of time on performance of obligations as per the terms of the agreement. However, revenue from services comprising of development of art work and such other services, involving single performance obligation, are recognised at a point in time.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to the customer. Where customers are provided with discounts, rebates etc, such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Contract balances

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A receivable represents the Company's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date.

ii) Export incentives / benefits are accounted on accrual basis.

iii) Dividend income is recognised when the right to receive the payment is established by the balance sheet date.

iv) Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate method and shown under interest income in the statement of profit and loss.

m) Government grants

i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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

iii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income."

n) Inventories

i) Inventories are valued at lower of cost and estimated net realisable value.

ii) Cost of raw materials, packing material and stores and spares are determined on moving average cost method.

iii) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other manufacturing overheads.

o) Foreign currency transactions

i) The functional currency of the Company is Indian rupee (₹ or INR) which is also the presentation currency. All other currencies are accounted for as foreign currency.

ii) Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of transaction.

iii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

iv) Exchange differences, in respect of accounting periods commencing on or after 7 December 2006, arising on reporting of long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31 March 2016 at rates different from those at which they were initially recorded or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset. Any other income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

p) Income taxes

i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

ii) The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

iii) Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

iv) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

v) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

vi) Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) Lease Liability

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the interest rate implicit in the lease. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) Provisions, contingent liabilities and contingent assets

i) Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

iii) A contingent asset is a possible asset 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 Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements.

t) Business combinations

Business combinations are accounted for using the acquisition method as per Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

u) Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the Company.

v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Cash and cash equivalents

i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity upto three months, which are subject to insignificant risk of changes in value.

ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

x) Exceptional items

Certain occasions , the size, type , or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

3 Significant estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based on the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Defined benefit obligation

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation 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 assumptions used are disclosed in note 44.

ii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions refer note 41.

iii) Share-based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 43.

iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate.

v) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

vii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

viii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Note 4 Property, plant and equipment

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation				Net carrying amount
	As at 1 April 2019	Reclassification on adoption of Ind AS 116	Additions	Disposals	As at 31 March 2020	Upto 31 March 2019	For the Year	Disposals	Upto 31 March 2020	As at 31 March 2020
Freehold land	292	-	-	27	265	-	-	-	-	265
Leasehold land	15	(15)	-	-	-	-	-	-	-	-
Leasehold improvements	1,362	-	223	-	1,585	198	180	-	378	1,207
Building	5,186	-	194	0	5,380	812	243	-	1,055	4,325
Plant and machinery	53,587	-	1,673	180	55,080	21,850	6,964	58	28,756	26,324
Equipment	3,533	-	309	16	3,826	1,137	429	10	1,556	2,270
Furniture and fixture	1,390	-	97	81	1,406	438	149	59	528	878
Right of use	-	15	6,995	-	7,010	-	1,632	-	1,632	5,378
TOTAL(A)	**65,365**	**-**	**9,491**	**305**	**74,552**	**24,435**	**9,597**	**127**	**33,905**	**40,647**
Capital work-in-progress										**1,572**

Note 5 Intangible assets

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation				Net carrying amount
	As at 1 April 2019	Reclassification on adoption of Ind AS 116	Additions	Disposals	As at 31 March 2020	Upto 31 March 2019	For the Year	Disposals	Upto 31 March 2020	As at 31 March 2020
Software	850	-	268	-	1,118	787	104	-	891	227
Patents	88	-	357	20	425	26	24	2	48	377
TOTAL(B)	**938**	**-**	**625**	**20**	**1,543**	**813**	**128**	**2**	**939**	**604**
TOTAL(A+B)	**66,303**	**-**	**10,116**	**325**	**76,095**	**25,248**	**9,725**	**129**	**34,844**	**41,251**
Intangible assets under development										**840**

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) For details of property, plant and equipment pledged as security, refer note 46.

(iii) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 47(D).

Note 4 Property, plant and equipment

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation					Net carrying amount
	As at 1 April 2018	Additions	Disposals	Assets classified as held for sale	As at 31 March 2019	Upto 31 March 2018	For the Year	Disposals	Assets classified as held for sale	Upto 31 March 2019	As at 31 March 2019
Freehold land	517	-	-	225	292	-	-	-	-	-	292
Leasehold land	15	-	-	-	15	-	-	-	-	-	15
Leasehold improvements	833	577	48	-	1,362	123	86	11		198	1,164
Buildings	4,562	854	0	230	5,186	662	226	0	76	812	4,374
Plant and machinery	41,868	11,844	125	-	53,587	15,400	6,491	41		21,850	31,738
Equipments	2,523	1,011	1		3,533	762	376	1		1,137	2,395
Furniture and fixtures	1,094	296	0	-	1,390	306	132	0	-	438	952
TOTAL(A)	**51,413**	**14,582**	**174**	**455**	**65,365**	**17,253**	**7,311**	**53**	**76**	**24,435**	**40,930**
Capital work-in-progress											**1,992**

Note 5 Intangible assets

(₹ in lakhs)

Description of assets	Gross carrying amount					Depreciation / Amortisation					Net carrying amount
	As at 1 April 2018	Additions	Disposals	Assets classified as held for sale	As at 31 March 2019	Upto 31 March 2018	For the Year	Disposals	Assets classified as held for sale	Upto 31 March 2019	As at 31 March 2019
Software	809	41	-	-	850	597	190	-	-	787	63
Patents	81	7	-	-	88	17	9	-	-	26	62
TOTAL(B)	**890**	**48**	**-**	**-**	**938**	**614**	**199**	**-**	**-**	**813**	**125**
TOTAL(A+B)	**52,303**	**14,630**	**174**	**455**	**66,303**	**17,867**	**7,510**	**53**	**76**	**25,248**	**41,055**
Intangible assets under development											**1,067**

Notes:

(i) Buildings include roads, residential flats, tubewell, watertanks and share in co-operative society.

(ii) Additions to plant and machinery and capital work in progress includes exchange difference of ₹ 51 lakhs capitalised during financial year 2018-19.

(iii) For details of property, plant and equipment pledged as security, refer note 46.

(iv) The amount of contractual commitments for the acquisition of property, plant and equipment and intangible assets is disclosed in note 47(D).

(₹ in lakhs)

			2020	2019
6	Non-current investments (At cost)			
	(A)	Investments in equity shares of wholly owned subsidiaries - Unquoted		
		830,000 (31 March 2019: 830,000) of USD 10 each of Lamitube Technologies Limited, Mauritius	8,994	8,994
		1,261 (31 March 2019: 1,261) of no par value of Arista Tubes Inc., USA *	7,443	7,443
		1,600 (31 March 2019: 1,600) of USD 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus	720	720
	Total		**17,157**	**17,157**
	(B)	Investments in preference shares of wholly owned subsidiary - Unquoted		
		8,400 (31 March 2019: 10,400) Non-cumulative optionally convertible redeemable preference shares of USD 1000 each of Lamitube Technologies (Cyprus) Limited, Cyprus with fixed rate of dividend of USD 110 per share {Refer note 61(a)}	3,658	**4,535**
	Total		**3,658**	**4,535**
	(C)	Value of stock options granted to employees of subsidiaries		
		As per last balance sheet	140	202
		Add/(Less): Options forfeited/lapsed during the year (Refer note 43)	-	(62)
	Total		**140**	**140**
	Total (A + B + C)		**20,955**	**21,832**
	Aggregate book value of unquoted investments		**20,955**	21,832
	Aggregate amount of impairment in value of investment		**-**	-
	(All the above securities are fully paid up)			
	* 7.35% is held through Lamitube Technologies (Cyprus) Limited			

(₹ in lakhs)

		2020	2019
7	Non-current financial assets - Loans		
	(Unsecured, considered good)		
	Security deposits		
	- Related parties (Refer note 54)	-	519
	- Others	934	426
	Total	**934**	945

Security deposits are interest free non-derivative financial assets carried at amortised cost. These primarily include deposits given against rented premises and various deposits with government authorities. The carrying value may be affected by changes in the credit risk of the counterparties.

(₹ in lakhs)

		2020	2019
8	Other non-current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	0	30
	Total	**0**	30

* Deposited with / lien in favour of various Government authorities / banks.

(₹ in lakhs)

		2020	2019
9	Non-current tax assets		
	Balances with government authorities - Direct tax (net of provisions)	1,172	939
	Total	**1,172**	**939**

(₹ in lakhs)

		2020	2019
10	Other non-current assets		
	Capital advances	213	512
	Prepaid expenses	6	378
	Balances with Government authorities - Indirect tax	412	517
	Total	631	1,407

(₹ in lakhs)

		2020	2019
11	Inventories		
	Raw materials {Including goods-in-transit ₹ 217 lakhs (31 March 2019 : ₹ 347 lakhs)}	3,031	2,351
	Goods-in-process	2,236	2,918
	Finished goods {Including goods-in-transit ₹ 52 lakhs(31 March 2019 : ₹ 371 lakhs)}	522	371
	Stores and spares	2,389	2,558
	Packing materials	115	93
	Total	8,293	8,291

Inventories were written down to net realisable value by ₹ 152 lakhs (31 March 2019: ₹ 65 lakhs). This amount is recognised as an expense during the year and included in "Changes in inventories of finished goods and goods-in-process" in the statement of profit and loss.

(₹ in lakhs)

		2020	2019
12	Trade receivables (Unsecured)		
	Considered good		
	- Related parties (Refer note 54)	1,563	1,374
	- Others	12,165	13,471
	Considered doubtful	723	607
		14,451	15,452
	Less: Allowance for bad and doubtful debts	(723)	(607)
	Total	13,728	14,845

Trade receivables are non-interest bearing and credit terms are generally 30 to 90 days. The Company's exposure to credit and currency risks related to trade receivables is disclosed in note 42.

(₹ in lakhs)

		2020	2019
13	Cash and cash equivalents		
	Balance with banks in Current accounts	3,436	280
	Cheques on hand/ Remittances in transit	568	42
	Deposits with banks having original maturity period of upto three months	2,505	-
	Total	6,509	322

(₹ in lakhs)

		2020	2019
14	Bank balances other than cash and cash equivalents		
	Unclaimed dividend accounts	110	97
	Deposits with banks having original maturity period of upto twelve months*	5,812	-
	Total	5,922	97

*Includes ₹ 297 lakhs (31 March 2019: Nil) held as margin money for bank guarantees issued.

(₹ in lakhs)

		2020	2019
15	Current financial assets - Loans		
	Unsecured, considered good		
	Security deposits - Others	323	234
	Loans and advances to		
	- Employees	21	25
	- Others	-	1,979
	Total	344	2,238

(₹ in lakhs)

		2020	2019
16	Other current financial assets		
	Deposits with banks having original maturity period of more than twelve months*	32	2
	Insurance claim receivable (Refer note 48)	193	193
	Other receivables from Subsidiaries (Refer note 54)	355	375
	Government grant receivable	500	500
	Total	1,080	1,070

*Deposited with / lien in favour of various Government authorities / banks.

(₹ in lakhs)

		2020	2019
17	Other current assets		
	Advances recoverable in cash or kind		
	Considered good	465	531
	Considered doubtful	56	-
		521	531
	Less : Allowance for bad and doubtful advances	(56)	-
		465	531
	Prepaid expenses	911	266
	Balances with Government authorities - Indirect taxes (net)	3,033	2,989
	Export benefits receivable	188	268
	Total	4,597	4,054

(₹ in lakhs)

		2020	2019
18	Assets held for sale		
	Building	-	154
	Freehold land	-	225
	Total	-	379

In the previous year, the Board of directors of the Company decided to sell land and building located at one of its factory units, which was not in use. The sale of said land and building concluded in April 2019 {Refer note 60(a)} and was reported as "Assets held for sale" in the previous year as per Ind AS 105 "Non-current assets held for sale and discontinued operations".

(₹ in lakhs)

		2020	2019
19	Equity share capital		
	Authorised		
	350,000,000 (31 March 2019: 350,000,000) equity shares of ₹ 2 each	**7,000**	**7,000**
	Issued		
	315,508,061 (31 March 2019: 315,300,740) equity shares of ₹ 2 each	6,310	6,306
	Subscribed and paid up		
	315,450,941 (31 March 2019: 315,243,620) equity shares of ₹ 2 each fully paid up (Refer note (a) below)	6,309	6,305
	Add: 57,120 equity shares of ₹ 2 each forfeited (Refer note (h) below)	1	1
	Total	**6,310**	**6,306**

a) Reconciliation of number of shares outstanding (excluding forfeited shares)

	2020		2019	
	Number of equity shares	₹ in lakhs	Number of equity shares	₹ in lakhs
At the beginning of the year	315,243,620	6,305	157,181,664	3,144
Add/less: Changes during the year				
Allotted pursuant to issue of bonus shares (Refer note (e) below)		-	157,181,664	3,144
Allotted on exercise of employee share option	207,321	4	880,292	17
Outstanding at the end of the year	**315,450,941**	**6,309**	**315,243,620**	**6,305**

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by holding company

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Epsilon Bidco Pte.Ltd*	236,553,956	75%	-	-

* Pursuant to the Share Purchase Agreement dated 22 April 2019 executed between Ashok Goel Trust ("the Seller") and Epsilon Bidco Pte Ltd ("the Acquirer"), the Acquirer has acquired 48.98% equity shares in the Company from Ashok Goel Trust on completion date i.e. 22 August 2019. The Acquirer has also acquired 26% equity shares from the public shareholders pursuant to the Open Offer as per SEBI Takeover Regulation. As a result of the said acquisition, the Acquirer became promoter and the holding entity of the Company. The Acquirer is managed by Blackstone Group, one of the world's leading investment firms.

d) Details of shareholder holding more than 5% equity shares

Name of Shareholder	2020		2019	
	Number of equity shares	Percentage of holding	Number of equity shares	Percentage of holding
Ashok Kumar Goel (Trustee - Ashok Goel Trust)	24,163,006	7.67%	178,678,028	56.68%
Ntasain Discovery Master Fund	3,649,162	1.16%	17,761,867	5.63%

e) During the previous year, the Board of Directors at its meeting held on 26 April 2018, recommended issue of bonus equity shares, in the ratio of one equity share of ₹ 2 each fully paid up for every one equity share of the Company held by the shareholders as on a record date. The above issue of bonus shares was approved by the shareholders in the annual general meeting held on 13 June 2018 and accordingly the Company allotted 15,71,81,664 equity shares of ₹ 2 each fully paid up bonus shares by capitalisation of securities premium amounting to ₹ 3,144 Lakhs.

f) There are no shares bought back or shares issued for consideration other than cash during five years preceding 31 March 2020.

g) For details of shares reserved for issue under the employee share based payment plan of the Company (Refer note 43).

h) Forfeited shares consist of 35,725 partly paid up equity shares and 21,395 fully paid up bonus shares forfeited during earlier year. The amount of ₹ 1 Lakh in relation to the forfeiture will be transferred to reserves upon cancellation of these shares.

(₹ in lakhs)

		2020	2019
20	Other equity		
a)	Capital reserve		
	As per last balance sheet	**3,983**	**3,983**
b)	Securities premium		
	As per last balance sheet	8,683	11,118
	Add/(Less): Amount received during the year on exercise of options	122	517
	Transferred from share options outstanding account on exercise of options	45	192
	Utilised towards issue of bonus equity shares [Refer note 19(e)]	-	(3,144)
		8,850	**8,683**
c)	Other reserves		
	i) Debenture redemption reserve		
	As per last balance sheet	1,250	2,250
	Add: Transferred to retained earnings	-	(1,000)
		1,250	**1,250**
	ii) Share options outstanding account (Refer note 43)		
	As per last balance sheet	79	333
	Add/(less):Transferred to retained earnings on lapse of vested options	-	(62)
	Transferred to securities premium on exercise of options	(45)	(192)
		34	**79**
	iii) General reserve		
	As per last balance sheet	12,541	12,541
	iv) Retained earnings		
	As per last balance sheet	34,837	32,101
	Add/(Less):		
	Profit for the year	10,577	6,404
	Item of other comprehensive income recognised directly in retained earnings		
	- Remeasurement gains/(losses) on defined benefit plan (net of tax)	(10)	(120)
	Transferred from debenture redemption reserve	-	1,000
	Equity dividend paid	(3,941)	(3,772)
	Tax on equity dividend paid	(810)	(776)
	Interim Dividend Paid	(3,943)	-
		36,710	**34,837**
		63,367	**61,373**

(₹ in lakhs)

			2020	2019
21	Non-current financial liabilities			
	(A)	Borrowings		
		Unsecured		
		500 (31 March 2019: 500) units of redeemable non-convertible debentures of face value of ₹ 1,000,000 each (Refer note (a) below)	5,091	5,109
		Term loan from bank (Refer note (b) below)	9,501	10,059
		Buyers credit from banks (Refer note (c) below)	-	866
		Deferred sales tax loans (Refer note (d) below)	471	663
		Total	15,063	16,697
		Less: Current maturities disclosed under Other current financial liabilities (Refer note 26)	6,754	1,711
			8,309	**14,986**
	(B)	Other non-current financial liabilities		
		Lease liabilities	**3,866**	-
		Total	**3,866**	-

Nature of security and terms of repayments for long-term borrowings

a)	Listed redeemable non-convertible debentures of ₹ 5,091 Lakhs (31 March 2019: ₹ 5,109 Lakhs) are unsecured.	These debentures carry interest rate at 1 year Treasury Bill YTM rate + 145 bps p.a. payable annually and are redeemable at par at the end of 3 years from the date of issue i.e 21 December 2020.
b)	Term loan from bank ₹ 9,501 Lakhs (31 March 2019: ₹ 10,059 Lakhs) is unsecured.	Term Loan from bank carry variable interest rate based on bench mark rate ie. MCLR of the bank with a put/call option at the end of every 12 months anniversary from the date of first disbursement and is repayable in 7 half yearly instalments starting at 18th month from the date of first disbursement.
c)	Buyers credit of ₹ Nil (31 March 2019 ₹ 866 lakhs) are unsecured.	Buyer's credit from bank carrying interest rate ranging from 0.5% to 3.27% per annum based on prevailing benchmark rate. Buyer's credit from bank are fully repaid during the year.
d)	Deferred sales tax interest free loans are repayable after a period of 10 to 14 years from the date of loan upto 2024-25.	

(₹ in lakhs)

		2020	2019
22	Non current liabilities		
	Deferred Government grant	320	387
	Total	**320**	**387**

(₹ in lakhs)

		2020	2019
23	Non-current liabilities - provisions		
	Employee benefits	1,335	1,323
	Provision for contingency	525	574
	Total	**1,860**	**1,897**

(₹ in lakhs)

		2020	2019
24	Current financial liabilities		
	Borrowings		
	Secured (Refer note below)		
	Working capital loan from banks	3,300	2,341
		3,300	**2,341**
	Unsecured		
	Short Term Loan	2,200	-
		2,200	**-**
	Total	**5,500**	**2,341**

₹ 3,300 Lakhs (31 March 2019: ₹ 2,341 Lakhs) are secured by first pari-passu charge on current assets of the Company.

(₹ in lakhs)

		2020	2019
25	Trade payables		
	Dues of micro enterprises and small enterprises (Refer note 53)	135	88
	Dues of creditors other than micro enterprises and small enterprises		
	- Acceptances	1,661	1,833
	- Others	3,284	2,976
	Total	**5,080**	**4,897**

(₹ in lakhs)

		2020	2019
26	Other current financial liabilities		
	Current maturities of long-term borrowings (Refer note 21)	6,754	1,711
	Unclaimed dividend (Refer note 55)	110	97
	Payable for capital goods		
	- Micro enterprises and small enterprises (Refer note 53)	86	103
	- Others	249	404
	Employee benefits payable	960	954
	Derivative instruments at fair value through profit or loss		
	- Foreign exchange forward contracts	3	33
	Other payables	2,573	2,985
	Total	**10,735**	**6,287**
	Lease liabilities	1,467	-
	Total	**12,202**	**6,287**

(₹ in lakhs)

		2020	2019
27	Other current liabilities		
	Contract liabilities - Advance from customers (Refer note 58)	117	68
	Statutory dues	241	256
	Deferred Government grant	67	67
	Total	**425**	**391**

(₹ in lakhs)

		2020	2019
28	Current liabilities - provisions		
	Employee benefits	442	531
	Total	442	531

(₹ in lakhs)

		2020	2019
29	Revenue from operations		
	Sales of products	75,796	79,872
	Other operating revenues		
	Royalty/Service charges	3,800	3,835
	Sale of scrap	394	397
	Export and other incentives	337	527
	Total	80,327	84,631

(₹ in lakhs)

		2020	2019
30	Other income		
	Interest on income tax refund	45	171
	Net gain on disposal of property, plant and equipment and intangible assets	68	36
	Gain on sale of current investments	38	20
	Gain on sale of non current investments {Refer note 61(a)}	557	-
	Dividend from current investments	-	0
	Dividend from Subsidiaries {Refer note 61(b)}	6,635	-
	Government grant	97	46
	Miscellaneous income	304	434
	Total	7,744	708

(₹ in lakhs)

		2020	2019
31	Interest income		
	Interest income on financial assets at amortised cost		
	- Loans	51	950
	- Deposits	42	23
	Unwinding of discount on security deposits	66	59
	Total	159	1,032

(₹ in lakhs)

		2020	2019
32	Cost of materials consumed		
	Inventories at the beginning of the year	2,351	3,087
	Add: Purchases (net)	35,130	37,422
		37,481	40,509
	Less: Inventories at the end of the year	3,031	2,351
	Total	34,450	38,158

(₹ in lakhs)

		2020	2019
33	Changes in inventories of finished goods and goods-in-process		
	Inventories at the end of the year		
	Goods-in-process	2,236	2,918
	Finished goods	523	371
		2,759	**3,289**
	Inventories at the beginning of the year		
	Goods-in-process	2,918	2,861
	Finished goods	371	248
		3,289	**3,109**
	Total	**530**	**(180)**

(₹ in lakhs)

		2020	2019
34	Employee benefits expense		
	Salaries, wages and bonus	8,721	7,796
	Contribution to provident and other funds	467	456
	Gratuity	104	99
	Staff welfare expenses	744	720
	Total	**10,036**	**9,071**

(₹ in lakhs)

		2020	2019
35	Finance costs		
	Interest expense		
	- Borrowings	1,277	1,860
	- Defined benefit obligation	98	**79**
	- Leases	472	-
	- Others	6	**16**
	Exchange difference regarded as an adjustment to borrowing costs	102	88
	Other borrowing costs	41	240
	Total	**1,996**	**2,283**

(₹ in lakhs)

		2020	2019
36	Depreciation and amortisation expense		
	Depreciation on property, plant and equipment and Right-of-use assets	9,597	7,311
	Amortisation of intangible assets	128	199
	Total	**9,725**	**7,510**

(₹ in lakhs)

		2020	2019
37	Other expenses		
	Stores and spares	2,278	2,613
	Packing materials	2,202	2,558
	Power and fuel	3,620	**3,836**
	Job work / labour charges	2,705	**3,031**
	Other manufacturing expenses	151	167
	Lease rent		
	- Factory premises	8	737
	- Plant and equipment	1	471
	Repairs and maintenance		
	- Buildings	58	73
	- Plant and machinery	473	525
	- Others	120	156
	Rent	155	729
	Rates and taxes	208	141
	Insurance	387	98
	Directors' sitting fees	12	10
	Travelling and conveyance expenses	249	304
	Professional and consultancy charges	1,580	624
	Communication charges	104	89
	Donation	1	0
	Exchange difference (net)	119	111
	Payment to auditors (Refer details below)	37	37
	Expenditure towards corporate social responsibility (Refer note 56)	28	56
	Freight and forwarding expenses	1,554	1,684
	Bad and doubtful debts/advances (net)	223	135
	Miscellaneous expenses	1,751	1,609
	Total	**18,024**	**19,794**
	Payment to auditors for:		
	Audit fees	21	21
	Certifications (including fees for limited reviews)	15	16
	Reimbursement of expenses	1	0
	Total	**37**	**37**

(₹ in lakhs)

		2020	2019
38	Earnings per share		
	Profit after tax (₹ in lakhs)	10,577	6,404
	Weighted average number of basic equity shares (Nos.)	315,384,117	314,773,502
	Weighted average number of diluted equity shares (Nos.)	315,448,650	314,802,196
	Nominal value of equity shares (₹)	2.00	2.00
	Basic earnings per share (₹)	3.35	2.03
	Diluted earnings per share (₹)	3.35	2.03

39 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(₹ in lakhs)

	As at 31 March 2019	Cash inflows	Cash outflows	Non-cash changes		As at 31 Mar 2020
				Interest accured	Other changes	
Equity share capital	6,306	4	-	-	-	6,310
Securities premium	8,683	122	-	-	45	8,850
Non-convertible debentures (including current maturities)	5,109	-	-	(21)	3	5,091
Long-term borrowings (including current maturities)	11,588	-	(1,557)	(62)	3	9,972
Lease liabilities	-	-	(1,293)	-	6,625	5,333
Short-term borrowings	2,341	13,500	(10,341)	-	-	5,500

Notes :

i) Other changes in securities premium are on account of transfer from share options outstanding account on exercise of share options (Refer note 20).

ii) Other changes in borrowings and lease liabilities are on account of amortisation of ancillary borrowing costs and lease liabilities recognised in accordance with Ind AS 116 (Refer note 49) respectively.

40 Income tax

a) The major components of income tax for the year ended 31 March 2020 are as under:

i) Income tax related to items recognised directly in the statement of profit and loss during the year

(₹ in lakhs)

	2020	2019
Current tax		
Current tax on profits for the year	2,948	3,354
Adjustments for current tax of prior periods	20	-
Total current tax expense	**2,968**	**3,354**
Deferred tax		
Relating to origination and reversal of temporary differences	(1,015)	(23)
Income tax expense reported in the statement of profit and loss	**1,953**	**3,331**

ii) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

(₹ in lakhs)

	2020	2019
Deferred tax on remeasurement of defined benefit plan	4	65
Deferred tax recognised in OCI	**4**	**65**

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

(₹ in lakhs)

	2020	2019
Accounting profit before tax	12,530	9,735
Income Tax @ 25.168% (31 Mar 2019 34.944%)	3,154	3,402
Adjustments in respect of current income tax in respect of previous years		
Tax provision for earlier years	20	-
Non-deductible expenses for tax purpose	33	69
Additional allowance for tax purpose	-	(242)
Other allowances for tax purpose	-	(23)
Utilisation of previously unrecognized deferred tax asset on Long term capital loss	(169)	-
Effect of concessional tax rate on dividend income	(511)	-
Expenses/(reversals) not deductible/(taxable)	(161)	(29)
Effect of change in tax rate (Refer note (e) below)	(326)	-
Other temporary differences	(87)	154
Income tax expense charged to the statement of profit and loss	1,953	3,331

c) Deferred tax relates to the following:

(₹ in lakhs)

		Balance sheet		Recognised in the statement of profit and loss		Recognised in OCI	
		2020	2019	2020	2019	2020	2019
a)	**Taxable temporary differences**						
	Depreciation on property, plant, equipment and intangible assets	958	2,303	(1,345)	129	-	-
	Unamortised ancillary borrowing costs	3	6	(3)	(4)	-	-
	Total (a)	**961**	**2,309**	**(1,348)**	**125**	**-**	**-**
b)	**Deductible temporary differences**						
	Employee benefits / expenses allowable on payment basis	509	669	164	33	(4)	(65)
	Allowance for bad and doubtful debts	182	212	30	(19)	-	-
	Other deductible temporary differences	122	261	139	(162)	-	-
	Total (b)	**813**	**1,142**	**333**	**(148)**	**(4)**	**(65)**
	Net deferred tax (assets)/liabilities (a-b)	148	1,167				
	Deferred tax charge/(credit) (a+b)			**(1,015)**	**(23)**	**(4)**	**(65)**

d) The Company has total long term capital losses of ₹ 4,402 lakhs as on 31 March 2020 (31 March 2019 ₹ 2,726 lakhs) that are available for offsetting for eight years against future taxable long term capital gains. Deferred tax assets of ₹ 1,025 lakhs (31 March 2019 ₹ 635 lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable long term capital gains.

e) During the year, the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended 31 March 2020 and re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this benefit of ₹ 326 lakhs is recognised in the statement of Profit and Loss for the year ended 31 March 2020.

41 Fair value measurements

i) Financial instruments by category:

(₹ in lakhs)

	2020		2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets (other than investment in subsidiaries)				
Non current assets				
Loans	-	934	-	945
Current assets				
Trade receivables	-	13,728	-	14,845
Cash and bank balances*	-	12,463	-	451
Loans	-	344	-	2,238
Derivative instruments	-	-	-	-
Other financial assets	-	1,048	-	1,068
Total financial assets	**-**	**28,517**	**-**	**19,547**
Financial liabilities				
Non-current liabilities				
Borrowings	-	8,309	-	14,986
Lease liabilities	-	3,866	-	-
Current liabilities				
Borrowings	-	5,500	-	2,341
Lease liabilities	-	1,467	-	-
Trade payables	-	5,080	-	4,897
Derivative instruments	3	-	33	-
Other financial liabilities	-	10,732	-	6,254
Total financial liabilities	**3**	**34,954**	**33**	**28,478**

* Including deposits with banks having original maturity period of more than twelve months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non-current financial assets.

ii) Fair value hierarchy

The fair values of the financial assets and liabilities are the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standards. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

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

iii) Financial assets (other than investment in subsidiaries) and liabilities measured at fair value through profit or loss at each reporting date

(₹ in lakhs)

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities measured at FVTPL						
Derivative instruments - foreign exchange forward contracts	-	3	-	-	33	-
Total	-	3	-	-	33	-

iv) Non-current financial assets (other than investment in subsidiaries) and liabilities measured at amortised cost at each reporting date

(₹ in lakhs)

	2020		2019	
	Level 3	Carrying amount	Level 3	Carrying amount
Non-current financial assets				
Loans	984	934	1,003	945
Other financial assets	0	0	30	30
Non-current financial liabilities				
Borrowings	8,309	8,309	14,986	14,986
Lease Liabilities	3,866	3,866	-	-

a) The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

b) The fair values for "Other non-current financial assets " comprising of lease rental deposits and bank deposits (due for maturity after twelve months from the reporting date) are based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs including counterparty credit risk.

c) The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities approximates the fair values due to the short-term maturities of these financial assets / liabilities.

d) There have been no transfers between level 1, level 2 and level 3 for the years ended 31 March 2020 and 31 March 2019.

v) Valuation techniques used to determine fair value and significant estimates and judgements made in:

The fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date. The fair values of the remaining financial instruments is determined using discounted cash flow method.

42(A) Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market risk - Foreign currency; and
- Market risk - Interest rate

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk from its operating activities (primarily trade receivables), lease rental deposits, deposits with banks and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed.

i) Trade receivables

The Company extends credit to customers in the normal course of business. The Company considers factors such as financial conditions / market practices, credit track record in the market, analysis of historical bad debts and past dealings for extension of credit to customers. Individual credit limits are set accordingly. The Company monitors the payment track record of the customers and ageing of receivables. Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

ii) The ageing analysis of the trade receivables (other than due from related parties) has been considered from the date the invoice falls due.

(₹ in lakhs)

	2020	2019
Up to 3 months	11,624	13,232
3 to 6 months	424	135
More than 6 months	117	104
Total	**12,165**	**13,471**

iii) The following table summarizes the change in the allowances for bad and doubtful debts:

(₹ in lakhs)

	2020	2019
As at beginning of the year	**607**	**553**
Add/(less):		
Provided during the year	256	172
Amounts written off	(51)	(80)
Reversals of provision	(89)	(38)
As at end of the year	**723**	**607**

The Company uses provision matrix whereby trade receivables are considered doubtful based on past trends where such receivables are outstandings for more than one year. The allowance for lifetime expected credit loss on customer balances for the year ended 31 March 2020 and 31 March 2019 is not material and the same has not been recognised. The reversal for lifetime expected credit loss on customer balances for the year ended 31 March 2020 is ₹ Nil (31 March 2019 : ₹ Nil).

iv) Other financial instruments

The Company considers factors such as track record, size of the institution, market reputation, financial strength/rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Security deposits against leasing of premises/equipments are refundable upon closure of the lease and hence credit risk associated with such deposits is relatively low.

B Liquidity risk

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. It maintains adequate sources of financing including loans, debt, and overdraft from banks. It also enjoys strong access to domestic capital markets across various debt instruments.

ii) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

As at 31 March 2020

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long-term borrowings	6,656	8,316	-	14,972
Short-term borrowings	5,500	-	-	5,500
Lease liabilities	1,467	3,391	475	5,333
Interest payable	940	768	-	1,708
Trade payables	5,080	-	-	5,080
Other financial liabilities	3,978	-	-	3,978
Total	**23,620**	**12,475**	**475**	**36,570**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	3	-	-	3
Total	**3**	**-**	**-**	**3**

As at 31 March 2019

Maturities of non – derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Long-term borrowings	1,519	14,980	18	16,517
Short-term borrowings	2,341	-	-	2,341
Interest payable	1,276	1,844	-	3,120
Trade payables	4,897	-	-	4,897
Other financial liabilities	4,543	-	-	4,543
Total	**14,576**	**16,824**	**18**	**31,418**

Maturities of derivative financial liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 5 years	Beyond 5 years	Total
Foreign exchange forward contracts	33	-	-	33
Total	**33**	**-**	**-**	**33**

C Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

I Foreign currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. The Company is exposed to foreign exchange risk on their receivables, payables and foreign currency loans which are mainly held in the United State Dollar ('USD'), the Euro ('EUR'), the Swiss Franc ('CHF') and Chinese Yuan ('CNY'). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupee ('INR') relative to the USD, the EUR, the CHF, and the CNY may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including minimising cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to minimise the impact to results of the exchange rate movements. The unhedged exposures are maintained and kept to minimum feasible.

The Company's exposure to foreign currency risk at the end of the reporting period are as under -

(₹ in lakhs)

	2020					2019				
	USD	EUR	CHF	CNY	Others	USD	EUR	CHF	CNY	Others
Financial assets										
Trade receivables	2,813	192	-	-	8	1,679	156	-	-	4
Others	375	79	-	370	-	446	71	-	387	-
Derivative assets										
Foreign exchange forward contracts	(151)	-	-	-	-	-	-	-	-	-
Net exposure to foreign currency risk	**3,037**	**271**	**-**	**370**	**8**	**2,125**	**227**	**-**	**387**	**4**
Financial liabilities										
Borrowings	-	-	-	-	-	393	-	461	-	-
Trade payables	2,618	80	80	-	1	1,693	201	93	-	1
Others	-	-	-	-	-	10	-	1	-	-
Derivative liabilities										
Foreign exchange forward contracts	-	-	-	-	-	(566)	-	(461)	-	-
Net exposure to foreign currency risk	**2,618**	**80**	**80**	**-**	**1**	**1,530**	**201**	**95**	**-**	**1**

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in the USD, EUR, CHF, CNY and other currencies with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balace sheet date:

(₹ in lakhs)

Currencies / Sensitivity	2020		2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
	(Loss) / Gain		(Loss) / Gain	
USD	20.91	(20.91)	29.73	(29.73)
EUR	9.52	(9.52)	1.28	(1.28)
CHF	(4.02)	4.02	(4.74)	4.74
CNY	18.49	(18.49)	19.34	(19.34)
Others	0.38	(0.38)	**0.16**	**(0.16)**

II Interest rate risk

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.

For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest and as appropriate makes use of hedged products and optimise borrowing mix / composition.

a) Interest rate risk exposure

(₹ in lakhs)

	2020	2019
Variable rate borrowings	20,000	18,195
Fixed rate borrowings	472	663
Total borrowings	**20,472**	**18,858**

b) Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rate of 50 basis point increase or decrease. The calculations are based on the variable rate borrowings outstanding at balance sheet date. All other parameters are held constant.

(₹ in lakhs)

Impact on profit after tax	**(Loss) / Gain**	
	2020	**2019**
Interest rates - increase by 50 basis points	(100)	(91)
Interest rates - decrease by 50 basis points	100	91

42 (B) Capital Management

Risk management

The Company manages its capital structure and makes necessary adjustments in light of changes in economic conditions and the requirement of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or raise / retire debt. The primary objective of the Company's capital management is to maximise the shareholders' value.

For the purpose of the Company's capital management, equity includes issued capital, securities premium and other reserves. Net debt includes loans less cash and bank balances. The Company manages capital by monitoring gearing ratio which is net debt divided by equity plus net debt.

(₹ in lakhs)

The capital composition is as follows:	**2020**	**2019**
Gross debt (inclusive of long term and short term borrowing)	20,472	18,858
Less: - Cash and bank balances*	12,463	451
Net debt	**8,009**	**18,407**
Total equity	69,677	67,679
Total capital	**77,686**	**86,086**
Gearing Ratio	**10%**	**21%**

* Including deposits with banks having original maturity period of more than twelve months of ₹ 32 lakhs (31 March 2019 ₹ 32 lakhs) shown under other current and non current financial assets.

Loan covenants

Borrowing contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt to EBITDA ratio, interest service coverage ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended once the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of adoption of the financial statements. The Company has also satisfied all other debt covenants prescribed in the respective sanction of bank loan. The deferred sales tax loans do not carry any debt covenant.

43 Share-based payments

Employee stock option plan

a) During the year 2014-15, the Company had instituted an Essel Employee Stock Option Scheme 2014 ('the Scheme') as approved by the Board of Directors for issuance of stock options to the eligible employees of the Company and of its subsidiaries, other than directors, promoters or person belonging to promoter group.

Subject to terms and conditions of the Scheme, the said options vested on each of 1 July 2016, 1 July 2017 and 1 July 2018 to the extent mentioned in the letter of grant and can be exercised within a maximum period of four years from the date of vesting. When exercisable, each option is convertible into one equity share of ₹ 2 each fully paid up.

b) Summary of options granted under the Scheme

	2020		2019	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	60.83	367,664	121.65	766,828
Add : Issue of bonus equity shares [Refer note 19(e)]	-	-	-	766,828
Adjusted value and number of options	**60.83**	**367,664**	**60.83**	**1,533,656**
Exercised during the year (Refer Note (i) below)	60.83	(207,321)	**60.83**	**(880,292)**
Lapsed during the year				
- Vested options (Refer Note (ii) below)	-	-	**60.83**	**(285,700)**
Closing balance		**160,343**		**367,664**
Vested and exercisable	60.83	160,343	**60.83**	**367,664**

c) Expiry date and exercise prices of the share options outstanding at the end of the year:

Grant date	Expiry date	2020		2019	
		Exercise price (₹)	Nos of options	Exercise price (₹)	Nos of options
19 March 2015	30 June 2020	60.83	160,343	*60.83	367,664
Total			**160,343**		**367,664**
Weighted average remaining contractual life of options outstanding at end of period			0.25		**1.25**

* Adjusted for bonus equity shares

d) The fair value of each option granted is estimated on the date of grant using the black scholes model with the following assumptions

Scheme	
Grant date	19-Mar-2015
Weighted average fair value of options granted (₹)	49.20
Exercise price - Before issue of bonus shares (₹)	121.65
Exercise price - After issue of bonus shares (₹)	60.83
Share price at the grant date before issue of bonus shares (₹)	116.50
Share price at the grant date after issue of bonus shares (₹)	58.25
Expected volatility	47.55%
Risk free interest rate	7.64%
Dividend yield	1.28%
Expected life of the options (years)	3.29 to 5.29

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

e) There are no expenses arising from share based payments transactions (Non-vested options).

Notes:

(i) The weighted average share price at the date of exercise of options exercised during the year ended 31 March 2020 was ₹150.03 (31 March 2019: ₹ 102.70).

(ii) Lapsed on account of employees resigned without exercising.

44 Gratuity and other long-term plans

The disclosures of employee benefits as defined in the Ind AS 19 - "Employee Benefits" are given below:

a. The Company makes annual contributions to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by the LIC of India and HDFC Bank. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows:-

i. Net expenses recognised during the year in the statement of profit and loss

(₹ in lakhs)

	2020	2019
Current service cost	104	99
Interest cost (net)	98	79
Net expenses recognised in the statement of profit and loss	202	178

ii. Net expenses recognised during the year in other comprehensive income (OCI)

(₹ in lakhs)

	2020	2019
Actuarial (gains) / losses arising from changes in demographic assumptions	(70)	106
Actuarial (gains) / losses arising from changes in financial assumptions	40	21
Actuarial (gains) / losses arising from changes in experience assumptions	40	60
Expected return on plan assets excluding interest	4	(2)
Net expenses recognised in (OCI)	14	185

iii Net liability recognised in the balance sheet

(₹ in lakhs)

	2020	2019
Present value of obligation	1,549	1,844
Less: Fair value of plan assets	423	534
Net liability recognized in balance sheet	1,126	1,310

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ in lakhs)

	2020	2019
Defined benefit obligation as at the beginning of the year	1,844	1,569
Current service cost	104	99
Interest cost	138	123
Actuarial (gain) / loss on obligation	11	187
Benefits paid	(548)	(134)
Defined benefit obligation at the end of the year	1,549	1,844

v Reconciliation of opening and closing balance of fair value of plan assets

(₹ in lakhs)

	2020	2019
Fair values of plan assets at the beginning of the year	534	559
Interest income	40	44
Return on plan assets, excluding interest income	(3)	2
Employer contribution	400	63
Benefits paid	(548)	(134)
Fair value of plan assets at year end	423	534

vi Reconciliation of opening and closing balance of net defined benefit obligation

(₹ in lakhs)

	2020	2019
Net defined benefit obligation as at the beginning of the year	1,310	1,010
Current service cost	104	99
Interest cost (net)	98	79
Actuarial (gain) / loss on obligation	11	187
Return on plant assets, excluding interest income	3	(2)
Employer contribution	(400)	(63)
Benefits paid	-	-
Net defined benefit obligation at the end of the year	1,126	1,310

vii. Investment details

(₹ in lakhs)

	2020	2019
Insurer Managed Funds	423	534

viii. Actuarial assumptions

(₹ in lakhs)

	2020	2019
Mortality Table	Indian Assured Lives mortality (2006-08) Ultimate	Indian Assured Lives mortality (2006-08) Ultimate
Discount rate(per annum)	6.04%	7.50%
Expected rate of return on plan assets (per annum)	7.50%	7.50%
Rate of escalation in salary (per annum)	5.00%	6.00%
Attrition rate	Service 2 years and below - 29%,more than 2 years and below 4 - 25%, others - 5%	Service 4 years and below - 10%, others - 1%

ix Quantitative sensitivity analysis

(₹ in lakhs)

	2020	2019
Projected benefit obligation on current assumptions	1,549	1,844
Increase by 1% in discount rate	(87)	(56)
Decrease by 1% in discount rate	99	61
Increase by 1% in rate of salary increase	99	62
Decrease by 1% in rate of salary increase	(89)	(57)
Increase by 1% in rate of employee turnover	5	3
Decrease by 1% in rate of employee turnover	(6)	(4)

x Maturity analysis of projected benefit Obligation : from the fund

(₹ in lakhs)

	2020	2019
Projected benefits payable in future years from the date of reporting		
1st Following Year	330	796
2nd Following Year	104	156
3rd Following Year	113	148
4th Following Year	137	144
5th Following Year	125	151
Sum of years 6 to 10	600	546
Sum of Years 11 and above	1,030	591

Notes:

1 Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity ₹ 104 Lakhs (31 March 2019 ₹ 99 Lakhs) and leave encashment ₹ 460 Lakhs (31 March 2019 ₹ -10 Lakhs). Net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is ₹ 98 Lakhs (31 March 2019 ₹ 79 Lakhs).

2 The estimate of future salary increases considered in the actuarial valuation takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3 "Contribution to provident and other funds" which is a defined contribution plan is recognized as an expense in Note 34 of the financial statements.

45 Dividends paid and proposed

(₹ in lakhs)

		2020	2019
a.	Dividends on equity shares declared and paid		
	Final dividend paid in current year for the year ended 31 March 2019 ₹ 1.25 per share (paid in previous year for the year ended 31 March 2018: ₹ 2.40 per share)	3,941	3,772
	Dividend distribution tax on above	810	776
	Interim dividend paid in current year ₹1.25 per share	3,943	-
b.	Proposed dividend on equity shares		
	Final dividend proposed for the year ended 31 March 2020 ₹ 2.05 per share (31 March 2019: ₹ 1.25 per share)	6,467	3,941
	Dividend distribution tax on above	-	810

Proposed dividend on equity shares is subject to approval of shareholders at the annual general meeting and is not recognised as a liability (including dividend distribution tax thereon) as at the reporting date.

46 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company and for a loan of USD 9.50 Million (31 March 2019: USD 11.50 Million) availed by a subsidiary are as under:

(₹ in lakhs)

	2020	2019
Property, plant and equipment	32,251	38,164
Inventories	8,293	8,291
Other current and non-current assets excluding investments	34,918	25,947
Total assets pledged	**75,462**	**72,402**

47 Contingent liabilities and commitments (to the extent not provided for)

(₹ in lakhs)

		2020	2019
A.	Claims against the Company not acknowledged as debt		
(a)	Disputed indirect taxes	2,500	3,036
(b)	Disputed direct taxes	1,696	2,099
(c)	Deferred sales tax liability assigned	-	206
(d)	Other claims not acknowledged as debts	43	43

(₹ in lakhs)

		2020	2019
B	Guarantees excluding financial guarantees		
	Bank guarantees given by the Company	263	297

(₹ in lakhs)

		2020	2019
C.	Other money for which the Company is contingently liable		
(a)	Unexpired letters of credit (net of liability provided)	116	73
(b)	Duty benefit availed under EPCG scheme, pending export obligations	1,297	2,383

D. Capital commitments

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 256 lakhs (31 March 2019 is ₹ 971 lakhs).

(₹ in lakhs)

		2020	2019
E.	Financial guarantees provided		
	Corporate guarantees, standby letter of credit and letter of comfort given for loans taken by subsidiaries. Loans outstanding against these guarantees and letter of comfort is ₹ 28,228 lakhs (31 March 2019: ₹ 36,885 lakhs)	34,845	47,166

48 Insurance claim receivable of ₹ 193 lakhs (31 March 2019: ₹ 193 lakhs) is in respect of transit damage to certain plant and machinery, which is under litigation before National Consumer Dispute Rederssal Commission, New Delhi (Refer Note 16).

49 Disclosure pertaining to Ind AS 116 " Leases"

a) The effect of adoption of Ind AS 116 is as follows:

i) The Company has recognised Right-of-use assets (ROU) of ₹ 6,995 lakhs and lease liabilities of ₹ 6,625 lakhs as at 1 April 2019 i.e. transition date. The Company has also reclassified its leasehold land amounting to ₹ 15 lakhs as ROU asset.

ii) During the year, depreciation / amortisation of ₹ 1,632 lakhs on Right-of-use assets and interest expense of ₹ 472 lakhs on lease liabilities has been charged to the statement of profit and loss.

iii) Expense relating to short-term leases and leases of low value assets amounted to ₹ 164 lakhs.

b. Carrying value of Right-of-use assets (ROU) :

(₹ in lakhs)

	Land	Building	Plant and Machinery	Total
Cost				
As at 1 April 2019	68	6,054	873	6,995
Reclassification on adoption of Ind AS 116	15	-	-	15
As at 31 March 2020	**83**	**6,054**	**873**	**7,010**
Depreciation/Amortisation				
Depreciation/amortisation for the year	58	1,149	425	1,632
Upto 31 March 2020	**58**	**1,149**	**425**	**1,632**
Net book value				
As at 31 March 2020	**25**	**4,905**	**448**	**5,378**

c. The following is the summary of practical expedients elected on initial application:

i. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than twelve months of lease term on the date of initial application.

ii. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d. Other disclosures:

The principle portion and interest portion of the lease payments amounting to ₹ 1,765 lakhs have been separately disclosed in the statement of cash flows under cash flows from financing activities.

e. Maturity analysis of lease liabilities:

Maturity analysis of lease liabilities is given in Note 42 (B)(ii).

50 Segment information

The financial statements of the Company contain both the consolidated financial statements as well as the separate financial statements. Hence, the Company has presented segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 "Operating Segments." The Company has only one major identifiable business segment viz. Plastic Packaging Material.

51 Information required under Section 186(4) of the Companies Act, 2013

a. Loans given (₹ in lakhs)

	2019	Given	Written off *	2020
Sprit Infrapower & Multiventures Private Limited (excluding interest receivable)	1,979	-	1,979	-

* Refer note 60(b)

b. Investments made

There are no investments other than disclosed in Note 6 - Non-current investments.

c. Corporate guarantees, standby letter of credit and letter of comfort given on behalf of subsidiaries

(₹ in lakhs)

Name of the Subsidiary		2020	2019
i.	Lamitube Technologies Limited , Mauritius	24,440	26,901
ii.	Essel Propack Polska sp. z.o.o., Poland	2,738	13,003
iii.	Essel Propack America LLC, USA	3,783	3,458
iv	Essel Colombia SAS, Colombia	3,884	3,804
		34,845	**47,166**

d) Security provided for loan availed by the subsidiary

Name of the Subsidiary	2020		2019	
	USD in Lakhs	₹ in Lakhs	USD in Lakhs	₹ in Lakhs
Lamitube Technologies Limited, Mauritius	125	9,458	125	8,644

Notes

i. All the loans/guarantees and security given are for general business purposes.

ii. The loan is interest bearing and is at Arms length.

iii. Security provided by the Company in clause (d) above is collateral to the corporate guarantee given in clause c (i) above.

iv. The outstanding loan amount availed by the subsidiaries against the corporate guarantees, standby letter of credit/letter of comfort and security provided by the Company is ₹ 28,228 Lakhs (31 March 2019 ₹ 36,885 Lakhs).

v. Amounts disclosed in (c) and (d) are translated at respective year-end foreign exchange rates.

52 Disclosure as required by Schedule V (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Investments by Loanee in the equity shares of the Company as at 31 March 2020

	Number of fully paid up equity shares	
	2020	2019
Sprit Infrapower & Multiventures Private Limited	NIL	1,221,549

53 Micro, Small and Medium Enterprises

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 ("The Act") are given as follows:

(₹ in lakhs)

		2020	2019
i.	Principal amount payable to suppliers under the Act		
	- For capital goods	86	103
	- For Others	135	88
ii.	Principal amount due to suppliers under the Act	2	27
iii.	Interest accrued and due to suppliers under the Act, on the above amount	0	0
iv.	Payment made to suppliers (Other than interest) beyond the appointed day, during the year	328	1,444
v.	Interest paid to suppliers under the Act	-	-
vi.	Interest due and payable to suppliers under the Act, for payments already made	3	15
vii.	Interest accrued and remaining unpaid at the end of the year under the Act	51	48
viii.	The amount of further interest remaining due and payable even in the succeeding years for the purpose of disallowances under Section 23 of the Act	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

54 Related party disclosures

a. List of related parties

i. Entities where control exists *

Name of Company	Relationship
Blackstone Capital Partners Asia L.P.	Ultimate holding company
Epsilon Pledgeco Pte Ltd	Intermediate holding company
Epsilon Bidco Pte Ltd	Holding company

* (w.e.f. 22 August 2019)

ii. Subsidiary companies

Name of the subsidiary	Proportion of interest (including beneficial interest) / voting power (either directly / indirectly through subsidiaries)		Country of Incorporation
	2020	2019	
Direct subsidiaries			
Arista Tubes Inc. *	100%	100%	United States of America
Lamitube Technologies (Cyprus) Limited	100%	100%	Cyprus
Lamitube Technologies Limited	100%	100%	Mauritius
Step down subsidiaries			
Essel Propack MISR for Advanced Packaging S.A.E.	75%	75%	Egypt
Essel Packaging (Guangzhou) Limited	100%	100%	China
Essel Packaging (Jiangsu) Limited	100%	100%	China
Essel Propack Philippines, Inc	100%	100%	Philippines
MTL de Panama S.A.	100%	100%	Panama
Arista Tubes Limited $	-	100%	United Kingdom
Essel Propack UK Limited $	100%	100%	United Kingdom
Essel de Mexico, S.A. de C.V.	100%	100%	Mexico
Tubopack de Colombia S.A. #	100%	100%	Colombia
Essel Propack LLC	100%	100%	Russia
Essel Colombia S.A.S.	100%	100%	Colombia
Essel Propack Polska sp. z.o.o.	100%	100%	Poland
Essel Deutschland GmbH & Co.,KG	100%	100%	Germany
Essel Deutschland Management GmbH	100%	100%	Germany
Essel Propack America, LLC	100%	100%	United States of America

* 7.35% is held through Lamitube Technologies (Cyprus) Limited

Under liquidation

$ During the year, the entire business of Arista Tubes Limited (ATL) in United Kingdom has been transferred to Essel Propack UK Limited and the name of ATL was struck off from the Companies house register in UK.

iii. Associate company

Name of the subsidiary	Extent of Holding		Country of Incorporation
	2020	2019	
P.T. Lamipak Primula	30%	30%	Indonesia

iv. Other related parties with whom transactions have taken place during the year and balances outstanding at the year-end (ceased to be other related parties w.e.f. 22 August 2019)

Aqualand (India) Limited, Vyoman Tradelink India Private Limited, Ebix Payment Services Private Limited, Essel World Leisure Private Limited.

v Key management personnel / Directors

Executive director	Mr. Ashok Goel (Chairman and Managing Director) *
Independent director	Mr. Boman Moradian *
Independent director	Mr. Mukund M. Chitale *
Independent director	Ms. Radhika Pereira *
Non - executive director	Mr. Atul Goel *
Non - executive director	Mr. Ramesh Chandra Gupta *
Non - executive director	Mr. Amit Dixit $
Non - executive director	Mr. Amit Jain $
Non - executive director	Mr. Animesh Agrawal $
Non - executive director	Mr. Aniket Damle $
Non - executive director	Mr. Qi Yang $
Independent director	Mr. Uwe Ferdinand $
Independent director	Ms. Sharmila Karve $
Independent director	Mr. Davinder Singh Brar $
Whole time director	Mr. Vinay Mokashi @
Managing director	Mr. Sudhanshu Vats #

* Resigned w.e.f. 22 August 2019

$ Appointed w.e.f. 22 August 2019

@ Appointed w.e.f. 22 August 2019 and resigned w.e.f. 15 April 2020

Appointed w.e.f. 16 April 2020

b. Transactions with related parties

(i) Transactions during the year

(₹ in lakhs)

		2020	2019
a)	Sales of goods	2,506	1,802
	Subsidiaries	**682**	**227**
	Essel Propack Polska sp. z.o.o.	290	281
	Essel Propack MISR for Advanced Packaging S.A.E.	252	343
	Essel Propack LLC	227	381
	Essel Deutschland GmbH & Co. KG	882	338
	Essel de Mexico, S.A de C.V.	173	232
	Others	-	2
b)	Recoveries from Subsidiaries	148	261
	Essel Propack MISR for Advanced Packaging S.A.E.	4	66
	Essel Packaging (Guangzhou) Limited	29	42
	Essel de Columbia SAS	68	79
	Others	47	74
c)	Royalty/Service charges income		
	Subsidiaries	**2,148**	**1,858**
	Essel Packaging (Guangzhou) Limited	1,004	1,059
	Essel Propack MISR for Advanced Packaging S.A.E.	423	310
	Essel Deutschland GmbH & Co. KG	331	261
	Others	390	228
d)	Guarantee commission income		
	Subsidiaries	**298**	**399**
	Lamitube Technologies Limited	220	292
	Essel Propack Polska sp.z.o.o.	71	84
	Others	7	23
e)	Dividend Income		
	Subsidiaries	**6,635**	-
	Lamitube Technologies Limited, Mauritius	3,557	-
	Arista Tubes Inc, USA	3,078	-

(₹ in lakhs)

		2020	2019
f)	Redemption of preference shares		
	Subsidiary	**1,434**	-
	Lamitube Technologies (Cyprus) Limited	1,434	-
	(Redemption of 2000 shares)		
g)	Sale of property, plant and equipment		
	Subsidiaries	-	**117**
	Essel Propack Polska sp.z.o.o.	-	69
	Essel Propack MISR for Advanced Packaging S.A.E.	-	45
	Essel Propack Philippines, Inc	-	3
h)	Sale of Intangible assets		
	Subsidiary	**145**	-
	Essel Packaging (Guangzhou) Limited	145	-
i)	Purchase of goods and services		
	Subsidiaries	**102**	**94**
	Essel Propack America, LLC	56	7
	Essel Packaging (Guangzhou) Limited	25	19
	Essel Deutschland GmbH & Co. KG	17	68
	Others	4	-
	Other related parties	28	70
	Ebix Payment Services Private Limited	28	68
	Essel World Leisure Private Limited	-	2
j)	Rent expenses		
	Other related parties	**452**	**1,072**
	Vyoman Tradelink India Private Limited	452	1,072
k)	Guarantee commission paid		
	Other related parties	-	134
	Aqualand (India) Limited	-	134
l)	Remuneration paid/provided	**965**	**661**
	Mr. Ashok Goel	907	661
	Mr. Vinay Mokashi	58	-
m)	Commission to directors	68	45
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-
n)	Directors' sitting fees	**12**	**10**
	Mr. Boman Moradian	3	3
	Mr. Mukund M. Chitale	2	4
	Ms. Radhika Pereira	2	3
	Mr. Davinder Singh Brar	2	-
	Ms. Sharmila Karve	2	-
	Mr. Uwe Ferdinand	1	-

(ii) Balance outstanding

(₹ in lakhs)

		2020	2019
a)	Trade receivables		
	Subsidiaries	**1,563**	**1,374**
	Essel Packaging (Guangzhou) Limited	371	387
	Essel Propack MISR for Advanced Packaging S.A.E.	135	240
	Essel Propack LLC	346	138
	Essel Propack Polska sp.z.o.o.	158	144
	Essel de Mexico, S.A. de C.V.	365	259
	Others	188	206
b)	Deposits given		
	Other related parties	**-**	**850**
	Vyoman Tradelink India Private Limited	-	850
c)	**Other receivables**		
	Subsidiaries	**355**	**375**
	Essel Propack America, LLC	40	46
	Essel Propack MISR for Advanced Packaging S.A.E.	28	43
	Essel Packaging (Guangzhou) Limited	34	45
	Essel Propack Polska sp.z.o.o.	20	55
	Essel Colombia SAS	113	111
	Essel Propack LLC	68	31
	Others	52	44
d)	Trade and other payables		
	Subsidiaries	**56**	**15**
	Essel Propack America, LLC	40	-
	Essel Deutschland Gmbh & Co., KG	0	14
	Essel Packaging (Guangzhou) Limited	15	1
	Others	1	-
	Other related parties	-	132
	Vyoman Tradelink India Private Limited	-	132
e)	Investments in equity/preference shares		
	Subsidiaries	**20,815**	**21,692**
	Lamitube Technologies Limited	8,994	8,994
	Lamitube Technologies (Cyprus) Limited	4,378	5,255
	Arista Tubes Inc.	7,443	7,443
f)	Guarantees, standby letter of credit and letter of comfort provided for loans availed by subsidiaries		
	Subsidiaries	**34,845**	**47,166**
	Lamitube Technologies Limited	24,440	26,901
	Essel Propack Polska sp.z.o.o.	2,738	13,003
	Essel Propack America, LLC	3,783	3,458
	Essel Colombia SAS, Colombia	3,884	3,804

g)	Guarantees / securities provided on Company's behalf		
	Other related parties	-	**9,500**
	Aqualand (India) Limited	-	9,500
	Loan Outstanding Nil (31 March 2019 :Nil)		
h)	Remuneration payable	**72**	**157**
	Mr. Ashok Goel	63	157
	Mr. Vinay Mokashi	9	-
i)	Commission payable (gross)	**68**	**45**
	Mr. Boman Moradian	5	15
	Mr. Mukund M. Chitale	5	15
	Ms. Radhika Pereira	5	15
	Mr. Davinder Singh Brar	22	-
	Ms. Sharmila Karve	15	-
	Mr. Uwe Ferdinand	16	-

Notes:

i) All transactions with related parties are made on arm's length basis in the ordinary course of business. The outstanding balances at year end are unsecured due to be settled for consideration in cash.

ii) The above disclosures are excluding Ind AS adjustments.

c. Break up of remuneration of key management personnel of the Company

(₹ in lakhs)

		2020	2019
	Chairman and Managing director		
i.	Salaries, allowances and perquisites	186	467
ii.	Contribution to provident and other funds	15	37
iii.	Performance bonus *	63	157
iv.	Retirement benefits $	643	-
	Total	**907**	**661**

* The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the Board of Directors. The total remuneration to Managing Director computed as per the Companies Act, 2013 is within limits prescribed u/s 197 of the Companies Act, 2013.

$ Retirement benefits include gratuity of ₹ 468 lakhs and leave encashment of ₹ 175 lakhs paid during the year. Further, the Essel Employee Stock Option Scheme 2014 does not extend to chairman and managing director, hence there is no share based compensation benefit.

(₹ in lakhs)

		2020	2019
	Whole-time director		
i.	Salaries, allowances and perquisites ^	47	-
ii.	Contribution to provident and other funds	2	-
iii.	Performance bonus *	9	-
	Total	**58**	-

^ Excludes leave encashment and gratuity liability provided in the books on the basis of actuarial valuation on an overall Company basis.

* The performance bonus for the current year has been provided in the accounts as recommended by the nomination and remuneration committee and approved by the Board of Directors.

55 Dividend of ₹ 7 lakhs (31 March 2019 ₹ 5 lakhs) unclaimed for a period of more than seven years is transferred to Investor Education and Protection Fund during the year. There is no amount due and outstanding to be credited to Investor Educaton and Protection Fund as at 31 March 2020.

56 Corporate Social Responsibility (CSR)

During the year, the Company has spent ₹ 28 lakhs (31 March 2019 ₹ 56 lakhs) towards various CSR initiatives as against ₹ 205 lakhs (31 March 2019 ₹ 209 lakhs) as required by Section 135 read with Schedule VII of the Companies Act 2013. CSR spend has been charged to the statement of profit and loss under "Other expenses" in line with ICAI guidance note issued in May 2015.

57 Research and Development expenditure (R&D)

During the year, the Company has incurred total R & D expenditure of ₹1,559 lakhs (31 March 2019 ₹890 lakhs) including capital expenditure of ₹378 lakhs (31 March 2019 ₹275 lakhs). The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Refer note 40(e)). Accordingly, the Company did not claim deduction under section 35(2AB) of the Income Tax Act, 1961 while computing income tax for the year ended 31 March 2020.

58 Disclosures pertaining to Ind AS 115 " Revenue from Contracts with Customers"

a) Reconciliation of contract liabilities as at the beginning and at the end of the year

(₹ in lakhs)

	2020	2019
Opening balance of contract liabilities	68	124
Add: Contract liabilities recognised during the year	770	576
Less: Revenue recognised out of contract liabilities	717	632
Refund and write back made	4	-
Closing balance of contract liabilities as at 31 March	117	68

b) Revenue recognised during the year from performance obligations satisfied (or partially satisfied) in the previous period is ₹ Nil (31 March 2019 ₹ 127 lakhs) on account of change in transaction price.

c) Disaggregation of revenue

Disaggregation of revenue based on timing is given below:

(₹ in lakhs)

Timing of transfer of goods/services	2020			
	Sale of products*	Royalty	Service charges	Total
Revenue recognised at a point in time	76,190		162	76,352
Revenue recognised over time	-	1,432	2,206	3,638

(₹ in lakhs)

Timing of transfer of goods/services	2019			
	Sale of products*	Royalty	Service charges	Total
Revenue recognised at a point in time	80,269	-	509	80,778
Revenue recognised over time	-	1,439	1,887	3,326

* Includes sale of scrap

d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ in lakhs)

	2020	2019
Revenue which should have been recognised as per the contracted price	80,144	84,104
Less:		
Discounts given	154	-
Revenue recognised in the statement of profit and loss	79,990	84,104

59 The Company has evaluated events and transactions for potential recognition or disclosure post balance sheet date. The World Health Organization has also declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The Company is monitoring the developments and are taking necessary measures to mitigate the impact on the Company, if any.

60 Exceptional items for the year ended 31 March 2020 include

a) ₹ 1,091 lakhs being net gain on sale of land and building, plant and machinery and other equipment of one of its factory recognised during the year and

b) ₹ 2,030 lakhs being write off of credit impaired loan given (including interest) on the basis of impairment assessment carried out by Management during the year.

61 Other income

a) During the year, the Company has redeemed 2,000 non-cumulative optionally convertible redeemable preference shares of USD 1,000 each of Lamitube Technologies (Cyprus) Limited, Cyprus. Gain on redemption of above preference shares of ₹ 557 lakhs has been recognised in the statement of Profit and Loss.

b) During the year, the Company has received dividend of ₹ 3,557 lakhs and ₹ 3,078 lakhs aggregating to ₹ 6,635 lakhs from its wholly owned subsidiaries, Lamitube Technologies Limited, Mauritius and Arista Tube Inc, USA respectively.

62 Prior period comparatives

Previous year's figures have been regrouped / rearranged wherever necessary to correspond with current year's classifications / disclosures.

As per our attached report of even date
For **Ford Rhodes Parks & Co. LLP**
Chartered Accountants
Firm Registration Number 102860W/W100089

Ramaswamy Subramanian
Partner
Membership Number 016059

Place: **Chennai**
Date: 22 May 2020

For and on behalf of the Board
Essel Propack Limited

Sudhanshu Vats
Managing Director & CEO

Sharmila Abhay Karve
Director

Place: **Mumbai**
Date: 22 May 2020

Parag Shah
Chief Financial Officer

Suresh Savaliya
Head - Legal and Company Secretary