NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1 COMPANY OVERVIEW

The Company is a public company domiciled in India and is incorporated under the provision of Companies Act applicable in India. Its shares are listed in two recognised stock exchange in India, Bombay Stock Exchange and National Stock Exchange. The company was established in 1996, with the aim to manufacture pro-India plumbing and drainage systems in the country. Astral Poly Technik is equipped with production facilities at Santej & Dholka (Gujarat), Ghiloth (Rajasthan), Sangli (Maharashtra), Sitarganj (Uttarakhand) and Hosur (Tamil Nadu) to manufacture Plumbing systems, Drainage systems, Agriculture, Industrial and Electrical Conduit Pipes with all kinds of necessary fittings.

The financial statements were approved for issue by the resolution of board of directors on May 25, 2020.

2 SIGNIFICANT ACCOUNTING POLICIES:-

a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter read with Section 133 of the Companies Act, 2013, as amended. All accounting policies are consistently applied except as given below;

The company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the standalone financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The financial statements have been prepared on the going concern basis using historical cost convention except for certain financial instruments (refer accounting policy on financial instruments), that are measured at fair values at the end of each reporting period. The standalone financial statements are presented in Indian National currency Rupee (₹) which is the functional currency of the Company, and all values are rounded to the nearest Million, except where otherwise indicated. All amounts individually less than ₹ 0.5 Million have been reported as “0”.

Ind AS 116 Leases:

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application of April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. The Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- In the principal market for the asset or liabilities or
- In the absence of a principal market in the most advantageous market for the asset and liabilities.

In estimating the fair value of an asset or 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 liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transaction that are within the scope of Ind AS 102 Share-based Payment, leasing transactions that are within the scope of Ind AS 116

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Leases, and measurements that have some similarities to fair value but are not fair valued such as net realisable value in Ind AS 2 or value in use in Ind AS 36 Impairment of assets.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

2) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

3) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

b) Use of Estimates

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c) Inventories

Inventories are stated at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing the inventories to their present location and condition. Raw materials, Stock in Trade, Stores, Spares and Packing materials are valued on weighted average costs. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

d) Cash and cash equivalents

Cash and Cash equivalents consists of cash in hand & at bank and all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase.

e) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are 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.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, if any.

Variable consideration

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

Trade receivables (Contract balances)

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Interest Income

Interest income from financial assets is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the effective interest rate (EIR). Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

f) Property, plant and equipment

Property, Plant & Equipment are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

Properties in course of construction for production, supply or administration purposes are carried at cost, less any recognised impairment loss. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Property, Plant and Equipment other than land and properties under construction are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

The estimated useful lives and residual values of the property, plant and equipment are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

g) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are Amortised over their estimated useful life on a straight-line basis over a period of 5 years except assets like Brand which is amortised over 7 years since in the opinion of the management the benefits will be available for that period.

h) Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b. Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is reduced from the carrying amount of the asset.

j) Foreign Currencies

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognised in the statement of profit and loss in the period in which they arise.

k) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Defined Contribution Plan:

The Company's contribution to Provident Fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

1) Service costs comprising past and current service costs, gains and losses on curtailments and settlements; and

2) Net interest expense or income

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the balance sheet date.

Share based payment:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

l) Borrowing costs

Borrowing cost includes interest, Amortisation of ancillary costs incurred in connection with arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capitalisation of borrowing cost is suspended and charged to statement of profit and loss during the extended period when active development on the qualifying asset is interrupted.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

m) Earnings per share

Basic earnings per share is computed by dividing the profit /(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

n) Taxation

Tax expense represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and deferred tax for the year:

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

o) Provisions, Contingent Liabilities and Contingent Assets and Commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognised in the financial statements when an inflow/ outflow of economic benefits/ loss is not probable.

p) Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Investments in joint venture are accounted for using the equity method. Under the equity method the investment in joint venture is initially recognised at cost. The carrying amount of investment is adjusted to recognise changes.

q) Non-derivative Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

r) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts/ options and interest rate swaps.

The use of foreign currency forward contracts / options is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs.

s) Impairment

Financial assets (other than at fair value)

The Company assesses at each Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Property, plant and Equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating unit for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more

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frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

t) Business combinations

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

u) Operating Cycle

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company has identified twelve months as its operating cycle.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

v) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing as material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Useful lives of property, plant and equipment and intangible assets

As described in Note 2 (f) and (g), the Company reviews the estimated useful lives and residual values, if any, of property, plant and equipment and intangible assets at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property plant and equipment and intangible assets.

ii. Provisions and Contingent Liabilities

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

iii. Impairment of Investment in Subsidiaries and Joint Venture

The investment in subsidiaries and joint venture are tested for impairment in accordance with provisions applicable to impairment of non-financial assets. The determination of recoverable amounts of the Company's investments in subsidiaries and involves significant judgements. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount includes weighted average cost of capital and estimated operating margins.

Basis the above determination of recoverable amount, the management has concluded that there is ₹ 25 Million (Previous year: ₹ 20 Million) impairment in investments of subsidiaries and joint venture.

iv. Impairment of goodwill

With respect to the Goodwill of ₹ 192 Million, the recoverable amount of cash generating units (CGU) has been determined based on value in use calculations. Recoverable amounts for these CGUs has been determined based on value in use for which cash flow forecasts of the related CGU and discount rate ranging from 12.5% to 15% has been applied. The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believes that the planned market share growth is reasonably achievable.

An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and growth rate), based on a reasonable assumption, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT OF USE ASSETS (ROU)

(₹ in Million)

SR. NO.	ASSETS	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION AND AMORTIZATION				NET CARRYING AMOUNT	
		As at April 1, 2019	Acquisition on account of amalgamation (Note 38)	Reclassified on account of Ind AS 116	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	For the Year	Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
A.	**TANGIBLE ASSETS**												
a	Land	1,172	-	(280)	144	-	1,036	-	-	-	-	1,036	1,172
		(974)	(192)	-	(6)	-	(1,172)	-	-	-	-	(1,172)	(974)
b	Buildings	1,950	-	-	531	9	2,472	206	89	-	295	2,177	1,744
		(1,260)	(182)	-	(508)	-	(1,950)	(138)	(68)	-	(206)	(1,744)	(1,122)
c	Plant and Equipments	4,407	-	-	1,348	15	5,740	1,451	628	6	2,073	3,667	2,956
		(3,121)	(409)	-	(933)	(56)	(4,407)	(965)	(496)	(10)	(1,451)	(2,956)	(2,156)
d	Furniture and Fixtures	280	-	-	82	15	347	66	33	10	89	258	214
		(149)	(4)	-	(128)	(1)	(280)	(45)	(21)	-	(66)	(214)	(104)
e	Vehicles	151	-	-	29	4	176	33	23	1	55	121	118
		(100)	(19)	-	(46)	(14)	(151)	(24)	(17)	(8)	(33)	(118)	(76)
f	Computers and Office Equipments	100	-	-	67	1	166	52	25	1	76	90	48
		(77)	(5)	-	(20)	(2)	(100)	(37)	(16)	(1)	(52)	(48)	(40)
Total		**8,060**	**-**	**(280)**	**2,201**	**44**	**9,937**	**1,808**	**798**	**18**	**2,588**	**7,349**	**6,252**
		(5,681)	**(811)**	**-**	**(1,641)**	**(73)**	**(8,060)**	**(1,209)**	**(618)**	**(19)**	**(1,808)**	**(6,252)**	
B.	**INTANGIBLE ASSETS**												
a	Computer software	37	-		6	-	43	24	8	-	32	11	13
		(32)	-	-	(5)	-	(37)	(17)	(7)	-	(24)	(13)	(15)
b	Brands	448	-	-	-	-	448	46	64	-	110	338	402
		-	(448)	-	-	-	(448)	-	(46)	-	(46)	(402)	-
Total		**485**	**-**	**-**	**6**	**-**	**491**	**70**	**72**	**-**	**142**	**349**	**415**
		(32)	**(448)**	**-**	**(5)**	**-**	**(485)**	**(17)**	**(53)**	**-**	**(70)**	**(415)**	
C.	**RIGHT OF USE ASSETS (ROU)**												
a	Leasehold land	-	-	280	53	28	305	-	3	-	3	302	-
		-	-	-	-	-	-	-	-	-	-	-	-
b	Buildings	-	-	-	57	-	57	-	26	-	26	31	-
		-	-	-	-	-	-	-	-	-	-	-	-
Total		**-**	**-**	**280**	**110**	**28**	**362**	**-**	**29**	**-**	**29**	**333**	**-**
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

Notes :

a. Building Includes ₹ 750/- being face value of 15 number of shares of ₹ 50/- each held in Kant Apartment Co- Operative Housing Society Limited. Also includes ₹ 10 Million (Previous Year ₹ 10 Million) for which the procedure for transfer of title in the name of the company is in process.

b. Pursuant to the scheme of amalgamation as stated in note no. 38, the title deeds of, Land and Building ₹ 193 Million and ₹ 225 Million respectively (Previous year : ₹ 193 Million and ₹ 233 Million respectively) are under process with concerned government authorities for transfer in the name of the Company.

c. During the year the company has received ₹ 28 Million from Rajasthan State Industrial Development and Investment Corporation (RIICO) as incentve in land cost.

d. Figures in brackets represents previous year figures.

e. Brand include trademarks and technical know-how.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

4 INVESTMENTS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Investments		
Investment in Equity Instruments of Subsidiaries at deemed cost		
Unquoted		
i) 50,000 (as at March 31, 2019 : 50,000) Shares of ₹ 10/- each fully paid up in wholly owned subsidiary, Astral Biochem Private Limited, India.	5	5
ii) 286,395 (97.45% holding) (as at March 31, 2019 : 286,395) Shares of ₹ 10/- each fully paid up in Resinova Chemie Limited, India.	2,879	2,879
iii) 80 (80% holding) (as at March 31, 2019 : 80) Shares of GBP 1/- each fully paid up in Seal It Services Limited, UK.	451	451
Investment in Subsidiaries	**3,335**	**3,335**
Investment in Equity Instruments of Joint Venture at deemed cost		
Unquoted		
i) 1,000,000 (as at March 31, 2019 : 1,000,000) Shares of Kenyan Shilling 50/- each fully paid up in Astral Pipes Limited, Kenya.	29	29
Less: Effect of diminution in value of investment	(29)	(29)
Total	-	-
Investment in Preference Shares of Joint Venture at deemed cost		
Unquoted		
i) 7,200,000 (as at March 31, 2019 : 6,800,000) Non-Cumulative Redeemable Preference Shares of Kenyan Shilling 50/- each fully paid up in Astral Pipes Limited, Kenya.	217	203
Less: Effect of diminution in value of investment (Note 42)	(114)	(89)
Less: Loan component of compound financial instrument (Note 5)	(52)	(52)
Equity component of compound financial instrument	**51**	**62**
Investments in Joint venture	**51**	**62**
Total	**3,386**	**3,397**
Quoted		
Investment in Mutual funds		
Mutual Fund	2	2
Investments in Mutual funds	**2**	**2**
Total	**3,388**	**3,399**

Notes :

a Aggregate carrying value of unquoted investments is ₹ 3,386 Million as at March 31, 2020 (as at March 31, 2019 : ₹ 3,397 Million).

b Aggregate carrying value of quoted investments is ₹ 2 Million as at March 31, 2020 (as at March 31, 2019 : ₹ 2 Million).

c Aggregate amount of diminution in value of investments is ₹ 143 Million as at March 31, 2020 (as at March 31, 2019: ₹ 118 Million).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

5 LOANS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
(Unsecured, considered good)		
Loans to related parties (Note 37) *	388	329
Total	**388**	**329**
Current		
(Unsecured, considered good)		
Loans to related parties (Note 37)	11	11
Loans and Advances to Employees	1	2
Total	**12**	**13**

Note: Refer note 39 for detailed disclosure on the fair values.

* Includes portion of compound financial instrument and fair valuation of loan of ₹ 72 Million as at March 31, 2020 (as at March 31, 2019: ₹ 66 Million) (Note 4).

6 OTHER FINANCIAL ASSETS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
(Unsecured, considered good)		
Security deposits	39	32
Earmarked deposit accounts	1	13
Advance for purchase of non current investment (Note 37)	-	14
Total	**40**	**59**
Current		
(Unsecured, considered good)		
Security deposits	10	13
Interest accrued on loans and deposits from related parties (Note 37)	6	5
Interest accrued on loans and deposits from others	2	2
Discount receivables	28	26
Fair Value of derivative contracts	0	5
Others	0	9
Total	**46**	**60**

Note: Refer note 39 for detailed disclosure on the fair values.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

7 TAX ASSETS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Taxes receivable (Net of Provision)	-	7
Total	**-**	**7**
Current		
Taxes receivable (Net of Provision)	128	10
Total	**128**	**10**

8 OTHER ASSETS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital Advances	133	256
Prepaid Expenses	1	2
Total	**134**	**258**
Current		
Prepaid Expenses	60	28
Balances with Government Authorities	156	159
Advances to Suppliers	94	46
Total	**310**	**233**

9 INVENTORIES (at lower of cost and net realisable value)

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,438	815
Work-in-Progress	160	126
Stock In Trade	297	344
Finished Goods	2,194	1,587
Stores, Spares and Packing Materials	132	124
Total	**4,221**	**2,996**

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

10 TRADE RECEIVABLES

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good	1,391	2,233
Unsecured, credit impaired	52	63
Less : Allowance for expected credit loss	(52)	(63)
Total	**1,391**	**2,233**

Note: Refer Note 39 for information about credit risk and market risk of Trade receivables.

Break-up of trade receivables (₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from other than related parties	1,391	2,233
Receivables from related parties (Note 37)	-	-
Total	**1,391**	**2,233**

Notes :

1 The credit period ranges from 30 days to 180 days.

2 Before accepting any new customer, the Company assesses the potential customer's creditability and defines credit limits for each customer. Such limits are reviewed annually.

3 In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

4 **Movement in Expected Credit Loss Allowance**

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	63	48
Less : Utilisation out from earlier year	11	5
Add : Provision during the year	-	20
Balance at the end of the year	**52**	**63**

11 CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on Hand	4	2
Balances with Banks in current accounts	105	529
Total	**109**	**531**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

12 OTHER BALANCES WITH BANKS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
In deposit accounts	601	88
Unclaimed dividend and bonus accounts (Note 19)	0	0
Total	**601**	**88**

Note: Unclaimed dividend account balance can only be used for payment of unclaimed dividend.

13 EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
210,500,000 (as at March 31, 2019 : 150,000,000) Equity Shares of ₹ 1/- each	211	150
Issued, Subscribed & Fully Paid Share Capital		
150,662,206 (as at March 31, 2019 : 119,806,565) Equity Shares of ₹ 1/- each fully paid up	151	120
Total	**151**	**120**

a) Rights, preferences and restrictions attached to shares :

The Company has issued only one class of equity shares having value of ₹ 1/- per Share. Each holder of equity shares is entitled to one vote per share and are entitled to dividend as and when declared. All shares rank equally with regard to the Company's residual assets after distribution of all preferential amounts.

b) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	No. of Shares	₹ In million
Balance as at April 1, 2018	**11,97,66,565**	**120**
Add: Shares issued - under Employee Stock option scheme 'ESOP 2015'	40,000	0
Balance as at March 31, 2019	**11,98,06,565**	**120**
Add: Shares issued pursuant to amalgamation (Note 38)	7,23,200	1
Add: Bonus Shares issued (Note 14(b))	3,01,32,441	30
Balance as at March 31, 2020	**15,06,62,206**	**151**

c) Number of Shares reserved for issue under options

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding at the end of the year	98,527	93,718

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

d) Details of share held by each shareholder holding more than 5% shares :

Name of Shareholders	As at March 31, 2020	As at March 31, 2019
Sandeep Pravinbhai Engineer		
No. of Shares	4,73,03,074	3,78,42,460
% of Shares Held	31.40	31.59
Saumya Polymers LLP		
No. of Shares	1,48,47,712	1,47,58,170
% of Shares Held	9.85	12.32
Steadview Capital Mauritius Limited		
No. of Shares	1,28,33,134	1,09,72,125
% of Shares Held	8.52	9.16
Jagruti Sandeep Engineer		
No. of Shares	1,14,29,262	91,43,410
% of Shares Held	7.59	7.63
Kairav Chemicals Limited		
No. of Shares	1,03,95,037	23,60,260
% of Shares Held	6.90	1.97

e) Share options granted under the Employee Stock Options scheme

1 Details of the Employee stock option plan of the company:

Astral Poly Technik Limited (the Company) formulated Employees Stock Option Scheme viz. Astral Employee Stock Option Scheme 2015 ("the Scheme") for the benefit of employees of the Company. Shareholders of the Company approved the Scheme by passing special resolution through postal ballot dated October 21, 2015. Under the said Scheme as approved by the Shareholders, Nomination and Remuneration Committee is empowered to grant stock options to eligible employees of the Company, up to 1,50,000 over a period of five years from the date of passing of resolution by shareholders. Minimum vesting period of stock option is one year and exercise period of stock option is one year from the date of vesting.

The Committee granted 16,282 stock options on November 14, 2015, 21,600 stock options on March 30, 2017, 22,400 stock options on November 13, 2017, 7,450 stock options on June 29, 2019 and 9,310 stock options on October 24, 2019 totaling 78,902 stock options till date. Exercise price of all stock options were ₹ 40/- share (Ex-bonus exercise price of all stock options was ₹ 50/- share). Each stock option is exercisable into one equity share of face value of ₹ 1/- each.

The Company made bonus issue of shares in the ratio of 1:4 during the financial year under review. A fair and reasonable adjustment was made in respect of options unvested/yet to be exercised and options available for grant. The number of stock options and exercise prices were adjusted to give effect to the bonus in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2015. Further the Company obtained in principle approval from stock exchanges for additional 23,429 equity shares under Astral Employee Stock Option Scheme, 2015 pursuant to Bonus Issue of shares by the Company vide shareholders resolution dated September 6, 2019.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The following stock based payment arrangement were in existence during the current and prior year

Option Series	October 24, 2019	June 29, 2019	November 13, 2017	March 30, 2017
Grant date	24-10-2019	29-06-2019	13-11-2017	30-03-2017
Number of shares	9,310	9,310*	22,400	21,600
Expiry date	22-10-2021	27-06-2021	12-11-2019	29-03-2019
Exercise price	₹ 40	₹ 40*	₹ 50	₹ 50
Fair value at grant date	1,090	1,013	722	507

** Adjusted pursuant to bonus issue.*

2 Movement in stock options during the year:

The following is the reconciliation of the stock option outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2020	As at March 31, 2019
Options Outstanding, beginning of the year	-	42,800
Options granted during the year (including bonus adjustment)	18,620	-
Options exercised during the year	-	40,000
Option Lapsed/surrendered/forfeited	-	2,800
Options Outstanding, end of the year	18,620	-
Of which:		
Not Vested	18,620	-
Add : Adjustment on Account of Bonus Issue in ratio of 1:4	23,429	-
Options available for grant	**98,527**	**93,718**

Options available for grants at March 31, 2020 has been adjusted with bonus shares issued during the year.

3 Fair value of share options granted:

Fair value of the share options granted during the financial year is ₹ 1,013 and ₹ 1,090 respectively for options granted on June 29,2019 and October 24, 2019. The company has not granted any share options during the previous financial year. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model;

Option Series	October 24, 2019	June 29, 2019	November 13, 2017	March 30, 2017
Option grant date	24-10-2019	29-06-2019	13-11-2017	30-03-2017
Fair value at Grant date	₹ 1,090	₹ 1,013	₹ 722	₹ 507
Exercise Price	₹ 40	₹ 40	₹ 50	₹ 50
Expected Volatility	58%	66%	104%	49%
Expected life of Option	2 years	2 years	2 years	2 years
Dividend Yield	0.65%	0.60%	0.60%	0.70%
Risk Free Interest Rate	6.60%	6.88%	6.00%	6.00%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

4 Stock options exercised during the previous year:

The following stock options were exercised during the previous year

Option Series	Number exercised	Avg Share price at excercised date	Exercise date
Granted on November 13, 2017	19,600	1,046	23-11-2018
Granted on March 30, 2017	20,400	919	07-04-2018

5 Stock options outstanding at the end of the year

The stock option outstanding at the end of the current year had a weighted average exercise price of as ₹ 40, and weighted average remaining contractual life of 512 days. No stock options outstanding at the end of the previous year.

14 OTHER EQUITY

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserve		
Balance at the beginning of the year	4	4
Balance at the end of the year	**4**	**4**
Securities Premium		
Balance at the beginning of the year	3,361	3,337
Add : Premium on shares issued during the year (Note 38)	722	24
Less : Utilised during the year for issue of Bonus Shares (Note b)	30	-
Balance at the end of the year	**4,053**	**3,361**
General Reserve		
Balance at the beginning of the year	260	260
Balance at the end of the year	**260**	**260**
Revaluation Reserve		
Balance at the beginning of the year	12	12
Balance at the end of the year	**12**	**12**
Shares pending allotment		
Balance at the beginning of the year	723	-
Add: Consequent to business combination (Note 38)	-	723
Less: Utilised during the year for Shares issued pursuant to amalgamation (Note 38)	723	
Balance at the end of the year	**-**	**723**
Stock Options Outstanding Account		
Balance at the beginning of the year	-	25
Add : On account of options granted during the year	19	-
	19	**25**
Less : Option Lapsed/surrendered/forfeited	-	2

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Less : Exercise of employee stock options	-	23
	19	**-**
Less : Deferred employee Compensation expenses	8	-
Balance at the end of the year	**11**	**-**
Retained earnings		
Balance at the beginning of the year	7,060	5,741
Add : Profit For the Year	2,008	1,414
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(2)	(1)
Less : Payment of dividend on equity shares (including tax on dividend)	240	94
Balance at the end of the year	**8,826**	**7,060**
Total	**13,166**	**11,420**

Notes

a In August 2019 ,November 2019 and February 2020 the dividend of ₹ 0.40 per share (total dividend ₹ 58 Million), ₹ 0.40 per share (total dividend ₹ 73 Million) and ₹ 0.60 per share (total dividend ₹ 109 Million) was paid to holders of fully paid equity shares. The total dividend includes dividend distribution tax at applicable rates.

b The Company allotted 3,01,32,441 equity shares of ₹ 1/- each as fully paid up bonus shares by utilising securities premium amounting to ₹ 30 Million, pursuant to an ordinary resolution passed after taking the consent of shareholders through Postal ballot.

c **Nature and Purpose of reserve**

Capital reserve

The company has created capital reserve out of capital subsidies received from state Governments.

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Revaluation Reserve

The company has created revaluation reserve out of revaluation of land carried out during the year 2004-05.

Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Stock Options Outstanding Account.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Shares pending allotment

Shares pending allotment in previous year represents equity shares issued pursuant to business combination. (Note 38)

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

15 BORROWINGS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured - at amortised cost		
Term Loans From Banks	833	1,549
Less : Current maturity of long term loans (Note 19)	250	476
	583	**1,073**
Buyers Credit	99	56
Less : Current maturity of long term buyers credit (Note 19)	37	-
	62	**56**
Vehicle Loans	18	35
Less : Current maturity of vehicle loans (Note 19)	5	14
	13	**21**
Unsecured - at amortised cost		
Buyers Credit	233	74
Less : Current maturity of long term buyers credit (Note 19)	-	11
	233	**63**
Total	**891**	**1,213**
Current		
Unsecured - at amortised cost		
Working capital demand loans from banks	-	250
Total	**-**	**250**

Notes

a) Refer Note 39 for information about liquidity risk.

b) Amount stated in Current maturity is disclosed under the head of "Other Financial Liabilities (Current)" (Note 19).

c) Term Loans are Secured by way of first charge, in respect of Property, plant and equipments , both present and future, and second charge on entire current assets of the Company both present and future. (Note 3,9,10). Rate of interest for Rupee Term Loan ranges from 6.5% to 10%. Rate of interest for ECB and Foreign currency Term Loan ranges from 3 to 4%.

1 HSBC Bank Term Loan of ₹ 833 Million (as at March 31, 2019 : ₹1,384 Million) repayable within 66 months (i.e. by February 2024) including initial moratorium period of Nine months from the date of first disbursement in Nineteen quarterly instalments.

2 Corporation Bank Term Loan of ₹ Nil (as at March 31, 2019 : ₹ 92 Million) repaid.

3 HSBC ECB Loan of ₹ Nil (as at March 31, 2019: US $ 1 Million equivalent ₹ 73 Million) repaid.

d) Buyers Credit : Rate of interest for Buyer's Credit ranges from 0.40% to 3.00%.

1 HSBC Buyers Credit of ₹ 99 Million (as at March 31, 2019: ₹ 56 Million) repayable by July 2022. Secured by way of first charge, in respect of entire current assets of the Company both present and future.

2 CITI Bank Buyers Credit of ₹ 118 Million (as at March 31, 2019: ₹ Nil) repayable by May 2022.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

3 Kotak Buyers Credit of ₹ 89 Million (as at March 31, 2019 : ₹ 11 Million) repayable by March 2022.

4 Federal Buyers Credit of ₹ 26 Million(as at March 31, 2019 : ₹ 63 Million) repayable by March 2022.

e) Vehicle Loans are Secured by way of hypothecation of respective motor vehicles purchased. Rate of interest for Vehicle loan ranges from 7 to 11%.

1 ICICI Bank Limited Vehicle Loan of ₹ 1 Million (as at March 31, 2019 : ₹ 11 Million) repayable on monthly basis. Repayable by July 2020.

2 Axis Bank Limited Vehicle Loan of ₹15 Million (as at March 31, 2019 : ₹ 21 Million) repayable on monthly basis. Repayable by May 2024.

3 Daimler Financial Services India Pvt. Ltd. Vehicle Loan of ₹ 2 Million (as at March 31, 2019 : ₹ 3 Million) repayable on monthly basis. Repayable by June 2021.

f) Working capital loan are secured by way of first charge on entire current assets of the Company both present and future and second charge on movable and immovable fixed assets of the company.

16 PROVISIONS

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for Employee Benefits (Note 34)	12	15
Total	**12**	**15**
Current		
Provision for Employee Benefits (Note 34)	25	17
Total	**25**	**17**

17 DEFERRED TAX LIABILITIES (NET)

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred Tax Liabilities	395	512
Deferred Tax Assets	(23)	(46)
Total	**372**	**466**

Deferred tax liabilities/(assets) in relation to :

(₹ in Million)

Particulars	As at April 1, 2018	On account of amalgamation (Note 38)	Recognised in profit and loss	As at March 31, 2019
Tangible and Intangible assets	317	91	104	512
Provision for doubtful trade receivables	(17)	-	(5)	(22)
Compensated absences and Gratuity	(2)	(3)	(1)	(6)
Others	-	(1)	0	(1)
Impairment of Investment in Joint Venture	(10)	-	(7)	(17)
Total	**288**	**87**	**91**	**466**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in Million)

Particulars	As at April 1, 2019	Recognised in profit and loss	As at March 31, 2020
Tangible and Intangible assets	512	(117)	395
Provision for doubtful trade receivables	(22)	9	(13)
Compensated absences and Gratuity	(6)	(3)	(9)
Others	(1)	-	(1)
Impairment of Investment in Joint Venture	(17)	17	-
Total	**466**	**(94)**	**372**

18 TRADE PAYABLES

(₹ in Million)

Particulars		As at March 31, 2020	As at March 31, 2019
Current			
a	total outstanding dues of micro enterprises and small enterprises	-	-
	Total	**-**	**-**
b	total outstanding dues of creditors other than micro enterprises and small enterprises		
	Operational Buyer's credit	2,247	1,262
	Due to others	1,829	1,959
	Total	**4,076**	**3,221**
Total		**4,076**	**3,221**

Note

a Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

b Refer Note 39 for information about credit risk, market risk and liquidity risk of Trade payables.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

19 OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Current maturities of long term borrowings (Note 15)	292	501
Interest accrued and due on borrowings	3	6
Interest accrued but not due on borrowings	14	14
Payable for capital goods	83	220
Unclaimed dividends and bonus* (Note 12)	0	0
Others	95	84
Total	**487**	**825**

* All the amounts required to be transferred to the Investor Education and Protection Fund by the Company have been transferred within the time frame prescribed for the same.

20 OTHER CURRENT LIABILITIES

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	114	215
Advance received from customers	90	50
Total	**204**	**265**

21 CURRENT TAX LIABILITIES (NET)

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax payable (net of advance tax)	-	38
Total	**-**	**38**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

22 REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customers (Note)	20,385	19,121
Other operating revenues	43	36
Total	**20,428**	**19,157**

Note : The Company mainly deals into plastic products, mainly, Pipe & Fittings and hence, no disaggregation of revenue is provided. Other information relating to contract balances, i.e. Trade Receivables, is stated in note 10.

23 OTHER INCOME

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income comprises:		
From Banks	2	4
From Related party (Note 37) *	16	14
From Others	60	48
Profit on Sale of Current Investments (Net)	12	5
Foreign exchange gains (Net)	-	26
Miscellaneous Income (Note 37)	19	18
Total	**109**	**115**

* Includes impact of financial instruments.

24 COST OF MATERIALS CONSUMED

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year	815	977
Add : Inventories acquired on account of amalgamation (Note 38)	-	87
Add : Purchases	13,523	12,062
Less : Inventories at the end of the year	1,438	815
Total	**12,900**	**12,311**

25 PURCHASE OF STOCK-IN-TRADE

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Pipes, fittings and solution	671	791
Total	**671**	**791**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished Goods	2,194	1,587
Work-in-progress	160	126
Stock In Trade	297	344
Total	**2,651**	**2,057**
Inventories at the beginning of the year		
Finished Goods	1,587	1,174
Work-in-progress	126	81
Stock In Trade	344	328
Total	**2,057**	**1,583**
Inventories acquired on account of amalgamation (Note 38)		
Finished Goods	-	172
Stock In Trade	-	18
	-	**190**
Total	**2,057**	**1,773**
Net (Increase) / Decrease	**(594)**	**(284)**

27 EMPLOYEE BENEFITS EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	878	677
Share based payments to employees (Note 13(e))	11	7
Contribution to Provident and Other Funds (Note 34)	40	31
Staff Welfare Expenses	48	39
Total	**977**	**754**

28 FINANCE COSTS

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense		
Working capital and term loans	154	198
Others	4	10
Other borrowing costs	12	11
Exchange differences regarded as an adjustments to borrowing costs	167	62
Total	**337**	**281**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

29 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant, Equipment and amortisation (Note 3)	798	618
Amortization on Intangible assets (Note 3)	72	53
Amortization on Right of use assets (ROU) (Note 3)	29	-
Total	**899**	**671**

30 OTHER EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores, Spares and Packing Materials	440	390
Power and Fuel	625	583
Rent (Note 37 & 40)	25	48
Repairs expenses	77	73
Insurance expenses	25	23
Rates and Taxes	8	12
Communication expenses	21	21
Travelling expenses	146	123
Factory and Other expenses	37	22
Printing and stationary expenses	5	4
Freight and Forwarding	414	360
Commission	23	18
Sales Promotions	708	639
Directors Sitting Fees (Note 37)	2	1
Donations and Contributions	2	0
Expenditure on Corporate Social Responsibility (Note 35 & 37)	38	22
Security Service Charges	39	31
Legal and Professional	46	84
Payments to Auditors *	3	2
Bad Debts Written Off	13	7
Provision for Doubtful Trade Receivables and advances	-	20
Net Loss on Foreign Currency transactions and translations	7	-
Loss on Sale of Property, plant and equipment (Net)	7	3
Other Expenses	66	60
Total	**2,777**	**2,546**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

*** PAYMENT TO AUDITORS (EXCLUDING GST)**

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a To Statutory Auditors		
For statutory audit and limited review	3	2
Total	**3**	**2**

31 TAX EXPENSES

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	634	672
In respect of prior years	(3)	5
	631	**677**
Deferred tax		
In respect of the current year	(94)	91
	(94)	**91**

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below :

(₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	**2,545**	**2,182**
Income tax expense @25.168% (FY 2018-19 : 34.944%)	641	762
Differences due to :		
Impact of Change in Statutory Tax Rate on Opening Deferred Tax	(113)	-
Exempt income not taxable	(2)	(2)
Effect of allowances	8	4
Others	6	(1)
Total	**540**	**763**
Adjustments in respect of current income tax of previous year	(3)	5
Tax expense as per statement of Profit and loss	**537**	**768**

The Company's weighted average tax rates for the year ended March 31, 2020 and March 31, 2019 were 21.10% and 35.20% respectively.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

32 EARNINGS PER SHARE:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the year attributable to owners of the Company (₹ In Million)	2,008	1,414
Weighted average number of equity shares for Basic EPS	150,662,206	150,451,061(*)
Add : Effects of dilutive shares options outstanding	10,732	-
Weighted average number of equity shares for Diluted EPS	150,672,938	150,451,061
Nominal Value per shares (₹)	1	1
Basic Earnings Per Share (In ₹)	13.33	9.40
Diluted Earnings Per Share (In ₹)	13.33	9.40

* Includes 7,23,200 equity shares issued on amalgamation of Rex (Note 38) and impact of bonus shares issued during the year 2019-20.

Earnings per share for previous periods have been adjusted for Bonus shares issued in current period as per Ind AS 33, Earnings per share (Note 13 & 14).

33 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR:

(₹ in Million)

Particulars		As at March 31, 2020	As at March 31, 2019
Contingent Liabilities			
1	Disputed Income Tax/Central Excise/Sales Tax and PF demands *	47	67
2	Guarantee given by Company on behalf of Joint Venture and Subsidiary company for availing borrowing from local Bank (Note 37)	420	763
Commitments			
1	Capital Contracts remaining to be executed (Net of Advances)	788	792
2	Letters of Credits for Purchases	260	612
3	Commitment on uncalled liability of shares subscription **	0	-

* Future cash outflows in respect of the above matters are determined only on receipt of judgments / decisions pending at various forums / authorities.

** The Company is a subscriber to Memorandum of Association of newly incorporated subsidiary company, namely, 'Astral Foundation'.

34 EMPLOYEE BENEFITS:

Post-employment Benefit

Defined Contribution Plan:

Amount towards Defined Contribution Plan have been recognised under "Contribution to Provident and Other funds" in Note 27 ₹ 28 Million (Previous Year: ₹ 21 Million).

Defined Benefit Plan:

The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to insurance service providers who invests the funds as per IRDA guidelines. The details of these defined benefit plans recognised in the financial statements are as under:

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

a) Movement in present value of defined benefit obligation are as follows:

(₹ in Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Obligations at the beginning of the year	53	34
Obligations Acquired from the Rex	-	10
Current service cost	8	8
Past service cost	-	-
Interest cost	4	3
Liability Transferred Out/ Divestments	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (gain) / loss – due to change in financial assumptions	5	-
Actuarial (gain) / loss- due to experience adjustments	(3)	1
Benefits paid	(2)	(2)
Benefits paid directly by employer	-	(1)
Present value of benefit obligation at the end of the year	**65**	**53**

b) Movement in the fair value of plan assets are as follows:

(₹ in Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Plan assets at the beginning of the year, at fair value	26	26
Interest Income	2	2
Return on plant assets excluding interest income	0	(1)
Contributions from the employer	10	1
Benefits paid	(2)	(2)
Fair value of plan assets at the end of the year	**36**	**26**

c) The amount included in the balance sheet arising from the entities obligation in respect of defined benefit plan is as follows:

(₹ in Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Present value of benefit obligation at the end of the year	(65)	(53)
Fair value of plan assets at the end of the year	36	26
Net liability arising from defined benefit obligation	**(29)**	**(27)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

d) Amount recognised in the Statement of Profit and Loss in respect of the defined benefits plans are as follows:

(₹ in Million)

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	8	8
Net Interest expense	2	1
Components of defined benefit costs recognised in the Statement of Profit and Loss	**10**	**9**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses on obligation for the period	2	1
Return on plant assets, excluding interest income	0	1
Components of defined benefit costs recognised in Other Comprehensive Income	**2**	**2**
Total	**12**	**11**

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/ asset is included in Other Comprehensive Income.

e) Investment details of plan assets:

To fund the obligations under the gratuity plan, Contributions are made to Insurance service providers, who invests the funds as per IRDA guidelines.

f) The defined benefit obligations shall mature after year ended March 31, 2020 as follows:

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
As at March 31		
2020		5
2021	5	2
2022	3	3
2023	4	5
2024	5	5
2025	3	
Thereafter	133	96

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

g) Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in Million)

Particulars	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Delta effect of +1% change in the rate of Discounting	(6)	(5)
Delta effect of -1% change in the rate of Discounting	7	6
Delta effect of +1% change in the rate of salary Increase	7	5
Delta effect of -1% change in the rate of salary increase	(6)	(5)
Delta effect of +1% change in the rate of employee turnover	0	0
Delta effect of -1% change in the rate of employee turnover	0	0

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of ₹ 29 Million (as at March 31, 2019 : ₹ 27 Million) to the defined benefit plans during the next financial year.

h) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	Gratuity	
	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	6.87%	7.60% to 7.76%
Expected return on plan assets	6.87%	7.76%
Annual Increase in Salary Costs	7.00%	7.00%
Rate of Employee turnover	For service 4 years and below 7.00% p.a. For service 5 years and above 4.00% p.a.	For service 4 years and below 7.00% p.a. For service 5 years and above 4.00% p.a.(*)
Mortality Tables	Indian Assured Lives Mortality (2006-08)	

* For amalgamating company (Note 38) : 2% at all ages in previous year.

Future Salary increases are based on long term average salary rise expected considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employee market. Future Separation & mortality rates are obtained from relevant data of Life Insurance Corporation of India.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

35 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

The gross amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 37 Million (Previous year: ₹ 30 Million). The revenue expenditure charged to the Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 38 Million (Previous year : ₹ 22 Million) and has been paid.

36 DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(₹ in Million)

Name of the party	Relationship	Maximum amount outstanding during the year		Amount outstanding	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Loans (Unsecured)					
Astral Biochem Private Limited	Wholly owned subsidiary	11	11	11	11
Seal IT Services Limited	Subsidiary	322	266	322	266
Resinova Chemie Limited	Subsidiary	65	-	-	-
Advance for purchase of Non-current Investment					
Astral Pipes Limited	Joint Venture	-	-	-	14
Guarantee					
Astral Pipes Limited	Joint Venture	-	-	316	494
Seal IT Services Limited	Subsidiary	-	-	104	269

Notes:

1. There are no advances which are in the nature of loans.
2. The Company has issued corporate guarantees for the loans and credit facility arrangements in respect of subsidiary and joint venture.
3. The outstanding amount for the loan is including interest receivable.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

37 RELATED PARTY DISCLOSURES:

1. Name of the related parties and their relationships

Sr. No.	Description of Relationship	Name of Related Parties
A.	Subsidiaries	Astral Biochem Private Limited
		Resinova Chemie Limited
		Seal IT Services Limited, UK
		Seal IT Services Inc, USA (Step-down subsidiary)
		Astral Foundation (From February 18, 2020)
B.	Enterprises over which Key Managerial Personal are able to exercise significant influence	Kairav Chemicals Limited
		Saumya Polymers LLP
		Astral Charitable Trust
		Kairamya Journeys LLP
C.	Joint Venture	Astral Pipes Limited
D.	Key Managerial Personnel	Sandeep Engineer (Managing Director)
		Jagruti Engineer (Whole Time Director)
		Kyle Thompson (Non-Executive Director)
		Hiranand Savlani (Chief Financial Officer)
		Krunal Bhatt (Company Secretary)
		K.R. Shenoy (Independent Director)
		Pradip N. Desai (Independent Director)
		Narasinh K. Balgi (Independent Director) (upto January 27, 2020)
		Kaushal Nakrani (Independent Director)
		Anil Kumar Jani (Non-Executive Director)
		C. K Gopal (Independent Director) (From February 11, 2020)
		Viral Jhaveri (Independent Director) (From October 24, 2019)
E.	Relatives of Key Managerial Personnel	Sandeep Engineer HUF
		Kairav Engineer
		Saumya Engineer

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2020

(₹ In Million)

Particulars		Subsidiaries		Enterprises over which Key Managerial Personal are able to exercise significant influence		Joint Venture		Key Managerial Personnel		Relatives of Key Managerial Personnel		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Part 1 : Transactions during the year													
1	Advance for Purchase of non-current investment	-	-	-	-	-	14	-	-		-	-	14
2	Expenditure on Corporate Social Responsibility	-	-	3	21	-	-	-	-		-	3	21
3	Guarantee Given	-	269	-	-	-	-	-	-		-	-	269
4	Guarantee Withdrawn	179	230	-	-	-	-	-	-		-	179	230
5	Interest Income	10	9	-	-	-	-	-	-		-	10	9
6	Investment in Subsidiaries/ Others	-	-	-	-	13	41	-	-		-	13	41
7	Loans / Advances Given	44	83	-	-	-	-	-	-		-	44	83
8	Purchase of Goods/ Services/Expenses	536	471	22	6	-	-	-	-		-	558	477
9	Purchase of asset	-	-	-	-	-	-	22	-	-	-	22	-
10	Loan taken	85	-	-	-	-	-	-	-		-	85	-
11	Loan repaid	85	-	-	-	-	-	-	-		-	85	-
12	Amount claimed for reimbursement of expenses	1	1	-	-	-	-	-	-		-	1	1
13	Remuneration	-	-	-	-	-	-	114	97	6	5	120	102
14	Rent Paid	-	-	-	-	-	-	-	-	1	1	1	1
15	Sale of Goods/assets	42	139	-	-	16	14	-	-		-	58	153
16	Sitting fees	-	-	-	-	-	-	2	1		-	2	1
17	Rent Received	1	0	-	-	-	-	-	-		-	1	0
Part 2 : Balance at the end of the year													
1	Advance for Purchase of non-current investment	-	-	-	-	-	14	-	-	-	-	-	14
2	Advance received for goods purchase	-	-	-	-	0	4	-	-	-	-	0	4
3	Guarantee Given	104	269	-	-	316	494	-	-	-	-	420	763
4	Interest accrued on loans and deposits	6	5	-	-	-	-	-	-	-	-	6	5
5	Loans Given	327	272	-	-	-	-	-	-	-	-	327	272
6	Payables	0	-	-	0	-	-	17	16	0	0	17	16

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Notes:

i. Compensation of key management personnel:

The remuneration of key management personnel during the year was as follows: (₹ in Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short term Benefits	114	97

The remuneration of key management personnel is determined by the remuneration committee. The same excludes gratuity as it is not determinable.

ii. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

iii. The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owned by related parties.

iv. Transactions/balances during and end of the year/previous year are stated without considering impact of fair valuation carried out as per Ind AS.

38 ACQUISITION AND MERGER OF REX POLYEXTRUSION PRIVATE LIMITED:

On July 9, 2018, the Company acquired 51% of equity share of Rex Polyextrusion Private Limited ("Rex"), engaged in the business of Manufacturing and supply of corrugated and other plastic piping solutions, against a consideration of ₹ 752 Million paid in cash. Further, the Board had approved the scheme of amalgamation of Rex with the Company for which the Company have issued 723,200 equity shares of ₹ 1/- each fully paid up in exchange for the balance 49% of equity share of Rex. Such scheme was approved by NCLT, Ahmedabad Bench on May 2, 2019 and filed with the Registrar of Companies on May 9, 2019. The management has determined this as a subsequent adjusting event and hence, Rex has been amalgamated with effect from appointed date of July 10, 2018 in the previous year.

This has resulted in recognition of goodwill of ₹ 192 Million (Purchase consideration of ₹ 1,475 Million less net assets of ₹ 1,283 Million (Total Assets acquired ₹ 2,255 Million less total liabilities acquired ₹972 Million)).

39 FINANCIAL INSTRUMENTS:

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15 and 19 off set by cash and bank balances) and total equity of the Company.

The company's risk management committee reviews the risk capital structure of the company on semi annual basis. As part of this review the company considers the cost of capital and the risk associated with each class of capital.

Gearing ratio (₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (note i)	1,183	1,964
Less : Cash and cash equivalents	109	531
Net debt	**1,074**	**1,433**
Equity share capital	151	120
Other equity	13,166	11,420
Less : Revaluation reserve	12	12
Total equity excluding revaluation reserve	**13,305**	**11,528**
Net debt to equity ratio	**8.07%**	**12.43%**

i. Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings (excluding financial guarantee contracts and contingent consideration), as described in notes 15 and 19.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

2 Category-wise classification of financial instruments

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Measured at amortised cost		
a Cash and cash equivalents and other bank balances(Note 11,12)	710	619
b Financial assets (Note 5,6 & 10)	1,877	2,689
Measured at fair value through Profit and loss		
a Fair Value of derivative contracts (Note 6)	0	5
b Investment in Mutual funds (Note 4)	2	2
Total	**2,589**	**3,315**
Financial liabilities		
Measured at amortised cost		
a Borrowings (Note 15,19)	1,183	1,964
b Financial liabilities (Note 18,19,40)	4,304	3,545
Total	**5,487**	**5,509**

The above excludes investments in subsidiaries and joint venture.

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

(₹ in Million)

Financial assets/Financial liabilities	Fair value	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Note 2(a))			
As at March 31, 2020				
Financial assets measured at fair value through Profit and loss				
a Fair Value of derivative contracts (Note 6)	0	-	0	-
b Investment in Mutual funds (Note 4)	2	2	-	-
As at March 31, 2019				
Financial assets measured at fair value through Profit and loss				
a Fair Value of derivative contracts (Note 6)	5	-	5	-
b Investment in Mutual funds (Note 4)	2	2	-	-

There have been no transfers amount in Level 1, Level 2 and Level 3 during the years ended March 31, 2020 and March 31, 2019.

3 Financial risk management objectives

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company's business activities are exposed to a variety of financial risks, namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- interest rate risk

i Currency risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(In Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (Foreign currency)		
In US Dollars (USD)	42	25
In Euro (EUR)	1	0
Assets (Foreign currency)		
In US Dollars (USD)	0	1
In Euro (EUR)	0	0
In Dirham (AED)	0	0
In Great Britain Pound (GBP)	3	3

(₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Liabilities (INR)		
In US Dollars (USD)	3,154	1,701
In Euro (EUR)	124	28
Assets (INR)		
In US Dollars (USD)	2	29
In Euro (EUR)	0	1
In Dirham (AED)	0	0
In Great Britain Pound (GBP)	322	262

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

Derivative instruments:

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts and Currency Options for speculative purposes.

Outstanding Forward/option Exchange Contracts entered into by the Company :

Particulars	As at March 31, 2020	As at March 31, 2019
Payable		
Outstanding Forward Exchange Contracts		
In USD		
No. of Contracts	1	7
In US Dollars - (In Million)	0	3
In INR - (In Million)	29	174
Outstanding Option Contracts		
In USD		
No. of Contracts	-	1
In US Dollars - (In Million)	-	1
In INR - (In Million)	-	35

Interest rate swaps to hedge against fluctuations in interest rate changes: As at March 31, 2020 : No. of contracts - Nil (as at March 31, 2019 : No. of contracts - 1).

The line items in the balance sheet that includes the above hedging instruments are "other financial assets" and "other financial liabilities".

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD,EUR and GBP.

The following table details, Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding not hedged on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit and equity where the rupee strengthens 5% against the relevant currency. For a 5% weakening of the rupee against the relevant currency, there would be a comparable impact on the profit and equity, and the balances below would be negative.

Impact on profit or loss and total equity (₹ in Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Increase in exchange rate by 5%	(146)	(61)
Decrease in exchange rate by 5%	146	61

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and five years. The above sensitivity does not include the impact of foreign currency forward contracts and option contracts which largely mitigate the risk.

ii Interest rate risk

Interest rate risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligation with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on profit before tax (₹ in Million)
As at March 31, 2020	100 bps	12
As at March 31, 2019	100 bps	20

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

B MANAGEMENT OF CREDIT RISK

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own trading records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded, are spread amongst approved counter parties (refer note 10 - Trade receivable).

The company is exposed to credit risk in relation to financial guarantees given to banks in respect of borrowings obtained by the subsidiary company and joint venture. In case of joint Venture, the Company's share is 50% and the guarantee has been given jointly and severally by all the partners of Joint Venture. The Company's maximum exposure in this respect is of ₹ 420 Million as at March 31, 2020, ₹ 763 Million as at March 31, 2019 as disclosed in contingent liabilities (Note 33).

C MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in Million)

Particulars	Carrying amount	Less than 1 year	1-5 years	Total
As at March 31, 2020				
Non-derivative financial liabilities				
Borrowings	1,183	292	891	1,183
Lease liabilities (Note 40)	33	20	13	33
Financial Liabilities	4,271	4,271	-	4,271
Total	**5,487**	**4,583**	**904**	**5,487**
As at March 31, 2019				
Non-derivative financial liabilities				
Borrowings	1,964	751	1,213	1,964
Financial Liabilities	3,545	3,545	-	3,545
Total	**5,509**	**4,296**	**1,213**	**5,509**

40 LEASE:

Company as a lessee

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application of April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. The Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

(₹ in Million)

Particulars	Right of Use Assets (ROU) Tangible Assets	Lease Liabilities
As on April 1, 2019	52	52
Add : Reclassified from leasehold land	280	-
Add : Additions	58	5
Less : Deductions	28	
Less : Depreciation/amortisation of expenses	29	-
Add : Interest Expenses	-	4
Less : Payments	-	28
As on March 31, 2020	**333**	**33**
Current	-	20
Non-current	-	13

There is no material impact on total comprehensive income or the basic and diluted earnings per share.

Company as a lessor:

The Company has entered into operating leases on its buildings, these leases have terms less than 1 years. Rental income recognised by the Company during the year is ₹ 1 Million (Previous year: ₹ Nil).

The Company has not entered into any non-cancellable operating leases as a lessor.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

41 SEGMENT REPORTING:

The Company has presented segment information in the Consolidated Financial Statement which is presented in the same financial report. Accordingly, in terms of paragraph 4 of Ind AS 108 – Operating Segments, no disclosure related to segments are presented in this standalone financial statement.

42 INFORMATION RELATING TO JOINT VENTURE:

The Company has 50% ownership interest in joint venture company Astral Pipes Limited, incorporated in Kenya. Its proportionate share in the assets, liabilities, income and expenses etc. In the said joint venture company is given below:

(₹ in Million)

Particulars	As at December 31, 2019	As at December 31, 2018 (Restated)
Assets	361	327
Liabilities	265	232
Income	169	144
Expenses (including depreciation)	186	179
Contingent Liabilities	6	1
Capital commitments remaining to be executed	-	-

During the year ended March 31, 2020, the Company has made provision for diminution on its investment in Joint Venture viz: Astral Pipes Ltd, Kenya amounting to ₹ 25 Million (Previous year: ₹ 20 Million), which has been disclosed as exceptional item.

43 ESTIMATION OF UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC COVID-19:

In view of the unprecedented COVID-19 pandemic, the management has made a detailed assessment of its liquidity position for the next one year and recoverability of Property, Plant and Equipment, Investments, Trade Receivables and Inventories as at the balance sheet date. In assessing the recoverability, the Company has considered internal and external information upto the date of approval of these Ind AS financial statements and has concluded that there are no material impact on the operations and the financial position of the Company. However, the impact of the global health pandemic may be different from that estimated at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

For S R B C & CO LLP
Chartered Accountatnts
ICAI Firm Registration No.: 324982E/E300003

Per Anil Jobanputra
Partner
Membership No : 110759

Place : Mumbai
Date : May 25, 2020

For and on behalf of the Board of Directors of Astral Poly Technik Limited
CIN : L25200GJ1996PLC029134

Sandeep P. Engineer
Managing Director
DIN : 00067112

Jagruti S. Engineer
Whole Time Director
DIN : 00067276

Hiranand A. Savlani
Chief Financial Officer

Krunal D. Bhatt
Company Secretary

Place : Ahmedabad
Date : May 25, 2020