

**CHLORIDE POWER SYSTEMS &
SOLUTIONS LIMITED**

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2017**

**CHLORIDE POWER
SYSTEMS & SOLUTIONS LIMITED**

**Balance Sheet
and
Auditors' Report**

2016-17

AUDITORS :

SURENDRA DIDWANIA & CO.

Chartered Accountants
19, Synagogue Street
City Centre, 3rd Floor
Kolkata - 700 001



SURENDRA DIDWANIA & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

We have audited the accompanying Ind AS financial statements of Chloride Power Systems & Solutions Limited, which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income) of the Company for the year then ended, the Cash Flow Statement of the Company for the year then ended, the Statement of changes in Equity of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. read together with the relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial control; that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under. We conducted our audit of the Ind AS financial statements in accordance with the standards on auditing specified under section 143 (10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Ind AS financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

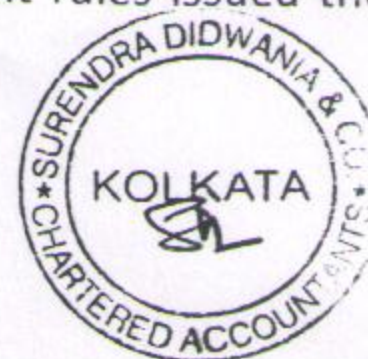
Subject to above and read together with significant accounting policies stated in Note No. '2' in our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March' 2017, profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013 ('the Act'), we enclose in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statement comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued there under.



- e. On the basis of written representations received from the directors as at March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2017 from being appointed as a director in terms Section 164 (2) of the Act;
- f. With regard to adequacy of internal financial control system over financial reporting over the Company and operating effectiveness of such controls refer to our separate report in "Annexure- B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us;
- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note No.41 to the financial statements.
- ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) The clause relating to transfer of amounts required to be transferred to the Investors Protection Fund is not applicable to the Company.
- iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company, Refer note No.38 to the financial statements.

For **Surendra Didwania & Co.**
Chartered Accountants
Firm Reg. No. 322745E



S. K. Didwania
Proprietor
Membership No. 56954

Place : Kolkata
Date : 17th day of April, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind As financial statements for the year ended 31st, March, 2017, we report that;

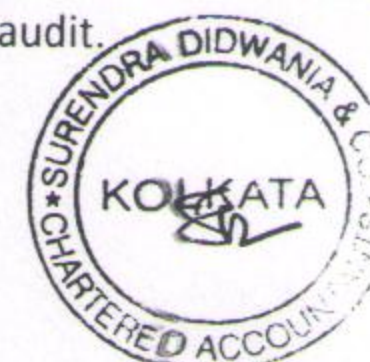
- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Physical verification of fixed assets is covered under a scheme of verification over a period of three years. As informed to us no serious discrepancy was noticed on such verification during the period.
- c. The Company does not own any freehold immovable property. Lease Deeds in respect of immovable property at Salt Lake works is duly registered in the name of the Company.
- ii. The stock of Finished Goods, Traded Goods, Work-In-Progress and Raw Materials has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Hence the provisions of clause 3 (iii) (a) to (c) of the order are not applicable.
- iv. In our opinion and according to information and explanations given, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and Security, wherever applicable.
- v. The Company has not accepted any deposit from the public within the meaning of sections 73 of the Companies Act, 2013. Hence the provisions of clause 3 (v) of the order are not applicable.
- vi. As per information available and explanations given we are of the opinion that the Company is maintaining Cost records as prescribed under Section 148 (1) of the Companies, Act, 2013. To the best of our knowledge and as informed to us, the Central Government has not prescribed any Cost Audit under the Act.
- vii. a. The Company has been regular in depositing undisputed statutory dues including provident fund and employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax at 31st March, 2017 which were outstanding for period of more than six months from the date they become payable.



c. According to the records of the Company, the following amounts in respect of sales tax & duty of excise being disputed have not been deposited;

Name of Statute	Nature of Dues	Amount of Demand (Amount in Rs)	Period for which the amount relates	Forum where Dispute is pending
West Bengal VAT Act	Demand Relating to Input Vat Credit disallowance	4,25,090/-	2005-06	Revision Board – West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	5,63,550/-	2005-06	Revision Board – West Bengal
West Bengal VAT Act	Determination of Chargeable Turnover / Assessible Value	20,37,924/-	2009-10	Revision Board – West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	83,87,751/-	2011-12	Revision Board – West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	41,90,655/-	2012-13	Jt. Commissioner, West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	2,38,12,118/-	2012-13	Jt. Commissioner, West Bengal
The Central Excise Act, 1944	Non - submission of Proof of Export within the stipulated period	36,857/-	2011-12	Commissioner Appeals

- viii. The Company has not defaulted in repayment of dues to the Banks. The Company has not taken any loan from Financial Institutions. The Company has not issued any Debentures. Accordingly the provisions of clause 3 (viii) of the order are not applicable.
- ix. The Company has not raised any money by way of initial public offer or further public offer. Based on the information and explanations given to us by the management, short term loans were applied for the purpose for which the loans were obtained.
- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the course of our audit.



- xi. As informed by the management and verified by us no managerial remuneration is paid to any of the of the directors or other managerial persons designated at such, by the Company during the year.
- xii. As informed by the management the Company is not a Nidhi Company. Hence the provisions of this clause 3 (xii) are not applicable to the Company.
- xiii. As represented by the management provisions of section 177 and 188 of Companies Act' 2013 were complied with in respect of all transactions with related parties and the details of such transactions have been disclosed vide note to the Ind AS financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential or private placement of shares or fully or partly paid convertible debentures during the year under review. Hence the provisions of section 42 of the Companies Act' 2013 are not applicable to the Company for the Year.
- xv. Based on the audit procedures performed and information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or other persons connected with them. Accordingly the provisions of clause 3 (xv) of the order are not applicable.
- xvi. As represented by the management the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For **Surendra Didwania & Co.**
Chartered Accountants
Firm Reg. No. 322745E



S. K. Didwania
Proprietor
Membership No. 56954

Place : Kolkata

Date : 17th day of April, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Chloride Power Systems & Solutions Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For **Surendra Didwania & Co.**
Chartered Accountants
Firm Reg. No. 322745E

S. K. Didwania
Proprietor
Membership No. 56954

Place : Kolkata

Date : 17th day of April, 2017

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
Balance sheet as at 31st March 2017

	Note no.	As at 31 March 2017	As at 31 March 2016	(Rupees in Lacs) As at 31 March 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	451.02	459.36	464.14
Capital work-in-progress		68.51	-	36.21
Intangible Assets	5	53.91	59.90	12.53
Financial assets				
- Loans and advances	6	7.54	10.96	15.54
Other Non-Current Assets	7	8.91	46.98	29.88
Current assets				
Inventories	8	638.25	412.49	281.21
Financial assets				
- Current investments	9	238.36	239.84	389.68
- Trade receivables	10	1,721.51	1,436.25	1,551.10
- Cash and cash equivalents	11	16.31	15.76	73.82
- Loans and advances	6	0.52	0.65	1.18
Other Non-Financial Assets	7	345.01	207.44	178.93
TOTAL		3,549.85	2,889.63	3,034.22
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	12	198.00	198.00	198.00
Other equity	13	1,143.08	1,091.20	1,070.54
Non-current liabilities				
Employee Benefit Provisions	14	62.58	41.96	27.14
Deferred tax liabilities (Net)	16	7.83	18.95	10.02
Current liabilities				
Financial liabilities				
- Borrowings	17	115.89	98.72	-
- Trade payables	18	1,705.35	1,164.58	1,493.98
Other payables	19	180.36	145.34	116.89
Provisions				
- Employee Benefit Provisions	14	1.03	0.79	0.79
- Other provisions	15	16.10	18.88	30.54
Other Non-Financial liabilities	20	119.63	111.21	86.32
TOTAL		3,549.85	2,889.63	3,034.22

Significant accounting policies

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The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

Surendra Didwania & Co.
Firm Reg. Number: 322745 E
Chartered Accountants



S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : April 17, 2017

Asish Kumar Mukherjee
Director
DIN - 00131626

Arun Mittal
Director
DIN - 00412767

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

Statement of Profit and Loss for the year ended 31st March ,2017

				(Rupees in Lacs)
Particulars		Note no.	For the year ended 31 March 2017	For the year ended 31 March 2016
I)	INCOME			
	Revenue from operations	21	8,034.34	6,004.05
	Other income	22	14.79	33.01
	Total Income (I)		8,049.13	6,037.06
II)	EXPENSES			
	Cost of materials consumed	23	1,646.05	1,075.00
	Purchase of stock-in-trade	23	4,270.35	3,167.43
	(Increase) / Decrease in inventories of finished goods, work in progress and stock-in-trade	24	(161.43)	(110.59)
	Excise Duty on sale of Goods		256.78	194.72
	Employee benefits expense	25	1,037.54	893.54
	Other expense	28	646.73	481.70
	Total expenses (II)		7,696.02	5,701.80
III)	Earnings before interest, tax , depreciation and amortisation expenses (I-II)		353.11	335.26
	Finance cost	26	3.31	12.14
	Depreciation and amortisation expense	27	42.74	55.64
IV)	Interest, depreciation and amortisation		46.05	67.78
V)	Profit/ (loss) before tax (III-IV)		307.06	267.48
VI)	Tax expense			
	a) Current tax		107.00	83.00
	c) Adjustment Relating to Earlier Years			(2.10)
	c) Deferred tax		(5.72)	13.56
			101.28	94.46
VII)	Profit/ (loss) for the year (V-VI)		205.78	173.02
VIII)	Other comprehensive income (OCI)			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit liability / assets		(16.32)	(14.01)
	- Income tax relating to items that will be reclassified to profit or loss		5.40	4.63
	Other comprehensive income for the year (VIII)		(10.92)	(9.38)
IX)	Total comprehensive income for the year		194.86	163.64
	Paidup Equity Share Capital		198.00	198.00
	Weighted average number of equity shares		19,80,000	19,80,000
	Earnings per equity share			
	a) Basic (Rs.)		9.84	8.26
	b) Diluted (Rs.)		9.84	8.26

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements .
As per our report of even date attached

Surendra Didwania & Co.
Firm Reg. Number: 322745 E
Chartered Accountants

S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : April 17, 2017



2

For and on behalf of the Board of Directors

Asish Kurkhharjee
Director
DIN - 00131626

Arun Mittal
Director
DIN - 00412767

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
Statement of changes in equity for the year ended 31st March, 2017

(Rupees in Lacs)

4) Equity Share Capital:

19,80,000 Equity Shares of INR 10 each issued, subscribed and fully paid

	Number	Amount
On April 1, 2015	19,80,000	198.00
Change in equity share capital during the year		
Balance at March 31, 2016	19,80,000	198.00
Change in equity share capital during the year		
Balance at March 31, 2017	19,80,000	198.00

5) Other Equity

Particulars	Retained Earnings	Reserves and Surplus General Reserve	OCI	Revaluation Reserve	Total
Balance at April 1, 2015	494.11	281.29		295.14	1,070.54
Change during the year	173.02				173.02
Re-measurement of Defined Benefit Liability / assets (net of tax)			(9.38)		(9.38)
Adjustments:	667.13	281.29	(9.38)	295.14	1,234.18
Adjusted towards assets sold / discarded					
Transfer from Revalued assets transferred to General reserves		39.69		(39.69)	
Interim dividend (Rs 6.00 per share)	(118.80)				(118.80)
Dividend on interim dividend	(24.18)				(24.18)
Transfer to General reserve	(20.00)	20.00			
Balance at March 31, 2016	504.15	340.98	(9.38)	255.45	1,091.20
Change during the year	206				206
Re-measurement of Defined Benefit Liability / assets (net of tax)			(11)		(11)
Adjustments:	710	341	(20)	255	1,286
Adjusted towards assets sold / discarded					
Transfer from Revalued assets transferred to General reserves		2.15		(2.15)	
Interim dividend (Rs 6/- per share)	(118.80)				(118.80)
Dividend on interim dividend	(24.18)				(24.18)
Transfer to General reserve	(25.00)	25.00			
Balance at March 31, 2017	541.95	368.13	(20.30)	253.30	1,143.08

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements
The report of even date studied

Surendra Didwania & Co.
Reg. Number: 122744 E
Chartered Accountants

S. A. Didwania
Proprietor
Membership No. 56954
Place: Kolkata
Date: April 17, 2017



For and on behalf of the Board of Directors

Arun Mittal
Director
DIN - 0013312

Arun Mittal
Director
DIN - 00412767

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

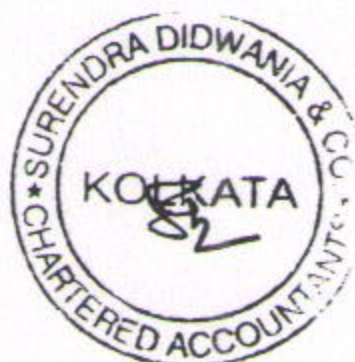
Cash Flow Statement for the year ended 31st March, 2017

	Particulars	12 Months ended 31st March 2017	12 Months ended 31st March 2016
		(Rs. in Lacs)	(Rs. in Lacs)
A.	Cash Flow from operating activities		
	Net Profit / Loss before taxation and extra ordinary items	307.06	267.48
	Adjusted for :		
	Depreciation	42.74	55.64
	Dividend Income	(12.39)	(17.62)
	Interest Income	(1.85)	(14.16)
	Interest Expense	3.31	12.14
	(Profit) / Loss on Sale of Fixed Assets	0.23	0.02
	Operating profit before working capital change	339.10	303.50
	Adjusted for :		
	Trade & other receivables	(428.91)	82.85
	Inventories	(225.76)	(131.28)
	Long Term Provisions	20.62	14.82
	Short Term Provisions	(2.55)	(11.46)
	Trade payable	567.89	(290.26)
	Cash generated from operation	270.39	(31.83)
	Income Tax refund / (Paid)	(59.30)	(89.40)
	Cash Flow from operation before prior period & extra ordinary items	211.09	(121.23)
	Prior period & extra ordinary items paid	-	-
	Net Cash from operating activities (A)	211.09	(121.23)
B	Cash Flow from investing activities		
	Purchase of Fixed Assets / Investments	(97.26)	(62.55)
	Sale of Fixed Assets	0.10	0.51
	Sale of Investments	1.49	150.08
	Purchase of Investments	-	-
	Net Cash Flow from investing activities (B)	(95.67)	88.04
C	Cash Flow from Financing activities		
	Proceeds from / (Repayment of) Short term borrowings	17.18	98.72
	Dividend Received	12.39	17.37
	Dividend Paid	(142.98)	(142.98)
	Interest Received / (Paid)	(1.46)	2.02
	Cash Flow from Financing activities	(114.87)	(24.87)
D	Net increase/(decrease) in cash & cash equivalent	0.55	(58.06)
E	Cash & cash equivalent at the beginning	15.76	73.82
F	Cash & cash equivalent at the closing	16.31	15.76

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

Surendra Didwania & Co.
Firm Reg. Number: 322745 E
Chartered Accountants



S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : April 17, 2017

For and on behalf of the Board of Directors

Asish Kumar Mukherjee
Director
DIN 00131626

Arun Mittal
Director
DIN - 00412767

CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

1 Corporate Information

The company is a 100 % Subsidiary Company of Exide Industries Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Exide House, 59E Chowringhee Road, Kolkata, 700020. The Company is primarily engaged in the manufacturing of and sale of Battery Chargers and trading in Industrial Batteries and Renewable Energy Devices.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with measurement and recognition principles of Indian Accounting Standards ("Ind-AS") as issued by the Ministry of Corporate Affairs ("MCA").

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 with comparative figures are the first financial statements the Company has prepared in accordance with Ind AS. The Ind AS are prescribed under Section 133 of the Act, read together with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amended Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- (i) With regard to Property Plant and Equipment (including investment property) the Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 1 April 2015. (refer point no 'r' to this note).

Historical Cost Convention

The Financial Statements have been prepared on historical cost basis, except the following;

Certain financial assets and liabilities and contingent liabilities that is measured at fair value;

Assets held for sale - measured at fair value less cost to sell;

define benefit plans - plan assets measured at fair value.

Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical Accounting Estimates:

- (i) Fair value through other profit & loss – unquoted equity investments; i.e. liquid mutual funds.

- (ii) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016 and 31 March 2017.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

3 Significant accounting policies

a. Foreign Currency

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit and loss, respectively).

b. Fair value measurement

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

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

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities. Involvement of external valuers is decided upon annually by the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

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

c. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, Sales tax/ value added tax (VAT) is not received by the Company on its own account. These are collected on behalf of the government and accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty benefits for general repairs and replacement on almost all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold.

Revenue from Services

Revenue from installation and commissioning services is recognised in the accounting period in which the services are rendered. The Company also provides annual maintenance contract which includes certain no of man-days of services and no service is provided based on time period only. For annual maintenance contracts and repair services revenue is recognised based on actual services provided to the end of the reporting period as per pricing in the maintenance contract.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or cost is reflected in the profit or loss in the period in which the circumstances that give rise to the revision becomes known to the management.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017****d. Income Taxes****Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

e. Property, plant and equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

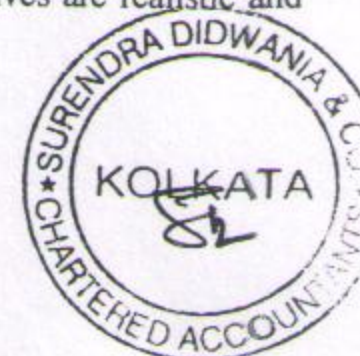
Revaluation reserve relating to assets being revalued earlier is transferred directly to retained earnings on disposal of particular assets.

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particular	Useful economic life
Factory building / Office building	28.5 years
Plant and equipment	15 years
Electrical installations & equipment and lab equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 to 6 year

The Company, based on technical assessment done by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The Company has intangible assets with finite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- (i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (ii) Its intention to complete and its ability and intention to use or sell the asset
- (iii) How the asset will generate future economic benefits
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	Finite (5 years)	Amortised on a straight-line basis over the life.	Acquired



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

h. Borrowing costs

General and Specific borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.n). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments as per terms of the agreement are recognised as an expense in the statement of profit and loss.

j. Inventories

Inventories are valued at the lower of cost and net realisable value.

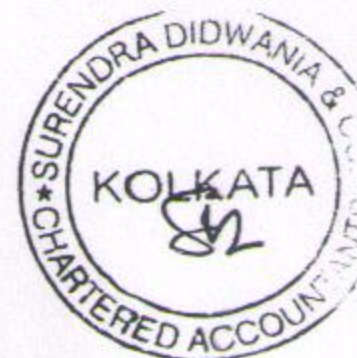
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials, Components, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.

(iii) Traded goods: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

k. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

l. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received upto the year end and the management estimates of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty-related costs is revised annually.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

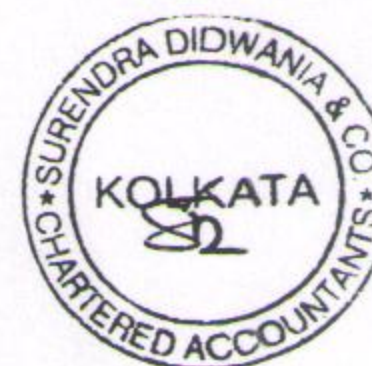
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year.

The current and non current bifurcation is done as per Actuarial report.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

n. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortised cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value except equity investments in subsidiaries which are measured at cost as per Ind AS 27. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the OCI. Equity investments in Subsidiaries are carried at Cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

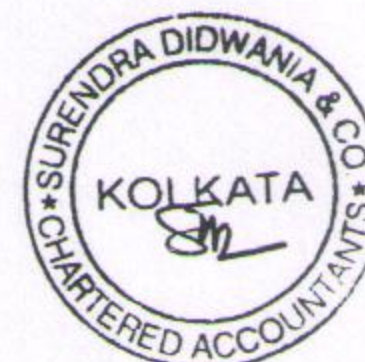
q. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r. Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

(i) With regard to Property Plant and Equipment (including investment property) the Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 1 April 2015.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

3
Effect of Ind AS adoption on the Balance Sheet as on: 31st March, 2016 and 1st April 2015

		As at March 31, 2016 (End of last period presented under previous GAAP)			As at March 31, 2015 (Date of transition)			(Rs. in Lacs)
Assets	Notes	Previous GAAP	Effect of Transition to Ind AS	March 31, 2016	Previous GAAP	Effect of Transition to Ind AS	March 31, 2015	
ASSETS								
Non-current assets								
Property, plant and equipment		459.36	-	459.36	464.14	-	464.14	
Capital work-in-progress		-	-	-	36.21	-	36.21	
Intangible Assets		59.90	-	59.90	12.53	-	12.53	
Financial assets								
- loans and advances		10.96	-	10.96	15.54	-	15.54	
Other non-current assets		46.98	-	46.98	29.88	-	29.88	
Current assets								
Inventories		412.49	-	412.49	281.21	-	281.21	
Financial assets								
- Current investments		239.84	-	239.84	389.68	-	389.68	
- Trade and other receivables		1,436.25	-	1,436.25	1,551.10	-	1,551.10	
- Cash and cash equivalents		15.76	-	15.76	73.82	-	73.82	
- loans and advances		0.65	-	0.65	1.18	-	1.18	
Other current assets		207.44	-	207.44	178.93	-	178.93	
TOTAL		2,889.63	-	2,889.63	3,034.22	-	3,034.22	
EQUITY AND LIABILITIES								
Equity								
Equity Share capital		198.00	-	198.00	198.00	-	198.00	
Other equity #								
- Retained earnings	A	494.77	9.38	504.15	494.77	-	494.77	
- Reserves								
- Reserves representing unrealised gains/ losses		-	-	-	-	-	-	
- Other reserves		596.43	-	596.43	575.77	-	575.77	
- Other Comprehensive reserves	A	-	(9.38)	(9.38)	-	-	-	
Non-current liabilities								
Employee Benefit Obligation		41.96	-	41.96	27.14	-	27.14	
Deferred tax liabilities (Net)		18.95	-	18.95	10.02	-	10.02	
Current liabilities								
Financial liabilities								
- borrowings		98.72	-	98.72	-	-	-	
- Trade payables		1,164.58	-	1,164.58	1,493.98	-	1,493.98	
- Other payables		-	-	-	-	-	-	
Other current liabilities		145.34	-	145.34	116.89	-	116.89	
Employee Benefit Obligation		0.79	-	0.79	0.79	-	0.79	
Short-term provisions		18.88	-	18.88	30.54	-	30.54	
Other Non-Financial liabilities		111.21	-	111.21	86.32	-	86.32	
TOTAL		2,889.63	-	2,889.63	3,034.22	-	3,034.22	
Statement of Changes in Equity								
Equity								
Equity Share capital		198.00	-	198.00	198.00	-	198.00	
Other equity #								
- Retained earnings	A	494.77	9.38	504.15	494.11	-	494.11	
- Reserves								
- Reserves representing unrealised gains/ losses		-	-	-	-	-	-	
- Other reserves								
- General reserve		340.98	-	340.98	281.29	-	281.29	
- Revaluation reserve		255.45	-	255.45	295.14	-	295.14	
- Other Comprehensive reserves	A	-	(9.38)	(9.38)	-	-	-	
		1,289.20	-	1,289.20	1,268.54	-	1,268.54	

Explanations for reconciliation of Balance Sheet and Equity as previously reported under IGAAP to INDAS

A. As per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.



Reconciliations to amounts reflected in the Statement of Profit & Loss
for the year ended 31st March 2016

Particulars	Notes	GAAP	(Rs. in Lacs)	
			Effect of Transition to Ind AS	Ind AS
Revenue from operations	A	5,809.33	194.72	6,004.05
Other income		33.01	-	33.01
Total Income		5,842.34	194.72	6,037.06
Expenses				
Cost of materials consumed		1,075.00	-	1,075.00
Purchase of stock-in-trade		3,167.44	-	3,167.44
Changes in inventories of finished goods, work in progress and stock-in-trade		(110.60)	-	(110.60)
Excise Duty on sale of Goods		-	194.72	194.72
Employee benefits expense	B	907.55	(14.01)	893.54
Other expense		481.70	-	481.70
Total expenses		5,521.09	180.71	5,701.80
Earnings before interest, tax, depreciation and amortisation		321.25	14.01	335.26
Finance cost		12.14	-	12.14
Depreciation and amortisation expense		55.64	-	55.64
Profit (loss) before tax		67.78	-	67.78
		253.47	14.01	267.48
Tax expense				
a) Current tax		83.00	-	83.00
c) Adjustment Relating to Earlier Years		(2.10)	-	(2.10)
c) Deferred tax		8.93	4.63	13.56
		89.83	4.63	94.46
Profit (loss) for the year		163.64	9.38	173.02
Other comprehensive income				
Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit liability / assets	A	-	(14.01)	(14.01)
- Income tax relating to items that will be reclassified to profit or loss	A	-	4.63	4.63
Total comprehensive income for the year	A		(9.38)	(9.38)
Profit for the year (Profit, loss + other comprehensive income)		163.64		163.64
Paidup Equity Share Capital		198.00	198.00	198.00
Earnings per equity share				
a) Basic (Rs.)		8.25	-	8.26
b) Diluted (Rs.)		8.25	-	8.26

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

A. Excise duty recovery being made on own account has been included in sales as compared to IGAAP where it was being netted off from Sales.

B. As per Ind-AS 19, Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

4 Tangible assets

(Rs. in Lacs)

	Leasehold land	Buildings	Plant & machinery	Furniture & fittings	Vehicles	Computers	Total	Capital Work In Progress
Cost								
As at 1st April 2015	228.31	252.04	153.85	49.75	4.85	63.02	751.82	36.21
Additions	-	35.54	1.23	2.29	-	0.54	39.60	-
Disposals	-	-	-	0.43	-	6.22	6.65	-
Transfers	-	-	-	-	-	-	-	36.21
As at 31st March 2016	228.31	287.58	155.08	51.61	4.85	57.34	784.77	-
Additions	-	-	8.72	4.42	-	6.61	19.75	68.51
Disposals	-	-	-	0.14	-	3.68	3.82	-
Transfers	-	-	-	-	-	-	-	-
As at 31st March 2017	228.31	287.58	163.80	55.89	4.85	60.27	800.70	68.51
Depreciation								
As at 1st April 2015	23.23	93.76	103.27	26.76	3.03	37.61	287.66	-
Charge for the year	2.54	8.48	19.37	3.32	0.76	9.39	43.86	-
on Disposals	-	-	-	0.23	-	5.88	6.11	-
As at 31st March 2016	25.77	102.24	122.64	29.85	3.79	41.12	325.41	-
Charge for the year	2.54	8.85	2.99	3.48	0.76	9.25	27.87	-
on Disposals	-	-	-	0.10	-	3.50	3.60	-
As at 31st March 2017	28.31	111.09	125.63	33.23	4.55	46.87	349.68	-
Net Block								
As at 1st April 2015	205.08	158.28	50.58	22.99	1.82	25.41	464.16	-
As at 31st March 2016	202.54	185.34	32.44	21.76	1.06	16.22	459.36	-
As at 31st March 2017	200.00	176.49	38.17	22.66	0.30	13.40	451.02	68.51

a. Land, Buildings and Plant & Machinery of the Company as on 31 March 2007 were revalued by the approved valuers and the surplus arising thereon has been transferred to Revaluation Reserve.

b. Under the previous GAAP (Indian GAAP), leasehold land and buildings and Electrical installations were carried in the balance sheet on the basis of revaluations performed as at 31 March 2007. The Company has elected to regard those values as deemed cost at the date of the transition (01.04.2015) as a first time adoption exemption available to the Company.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

(Rs. in Lacs)

5 Intangible assets

	Computer Software	Total
Cost		
As at 1st April 2015	22.51	22.51
Additions	59.16	59.16
Disposals	-	-
As at 31st March 2016	81.67	81.67
Additions	8.99	8.99
Acquisition through business combination	2.20	2.20
Disposals	-	-
As at 31st March 2017	88.46	88.46
Amortisation		
As at 1st April 2015	9.99	9.99
Charge for the year	11.78	11.78
Disposals	-	-
As at 31st March 2016	21.77	21.77
Charge for the year	14.87	14.87
Disposals	2.09	2.09
As at 31st March 2017	34.55	34.55
Net Block		
As at 1st April 2015	12.52	12.52
As at 31st March 2016	59.90	59.90
As at 31st March 2017	53.91	53.91

Note : Computer Software represents acquired specific computer software for the specific applications. The Company has estimated the the useful life of the software to be three or five years based on the expected technical obsolescence of such assets.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

Rs in Lacs

	Non Current March 31, 2017	Current March 31, 2017	Non Current March 31, 2016	Current March 31, 2016	Non Current April 1, 2015	Current April 1, 2015
6 FINANCIAL ASSETS						
LOANS AND DEPOSITS :						
Security Deposit	7.54	-	10.96	-	1,554.00	-
Loans to employees	-	0.52	-	0.65	-	1.18
	<u>7.54</u>	<u>0.52</u>	<u>10.96</u>	<u>0.65</u>	<u>1,554.00</u>	<u>1.18</u>

Deposit amounting to Rs 7.21 lacs/- as at March 31, 2017, as at March 31, 2016 Rs 4.08 lacs and as at April, 01 2015 Rs 1.15 lacs were lying with banks as margin money deposit against issue of bank guarantees.

7 OTHER ADVANCES

Advances recoverable in cash or kind	0.45	344.86	0.45	207.15	0.45	177.88
Balances with Customs, Sales Tax & Excise Authorities	0.40	0.15	0.40	0.29	0.40	1.05
Advance Payment of Tax (Net of Provisions)	8.06	-	46.13	-	29.03	-
	<u>8.91</u>	<u>345.01</u>	<u>46.98</u>	<u>207.44</u>	<u>29.88</u>	<u>178.93</u>

8 INVENTORIES

	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials and components	121.46	-	33.38
Work-in-progress	268.98	-	120.85
Finished goods	92.00	116.52	2.49
Add Excise Duty	11.50	14.56	0.85
	<u>493.94</u>	<u>131.08</u>	<u>157.57</u>
Trading Goods	144.31	86.56	123.64
	<u>638.25</u>	<u>412.49</u>	<u>281.21</u>
Includes Goods in Transit	-	17.46	-

9 CURRENT INVESTMENTS

	March 31, 2017		March 31, 2016		April 1, 2015	
Investments at fair value through profit & loss	No Of Units	(Rs Lacs)	No Of Units	(Rs Lacs)	No Of Units	(Rs Lacs)
Investments in Mutual Fund (Unquoted)						
UTI Treasury Advantage Fund - Institutional Plan-Daily Dividend Reinvestment	3782.924	37.56	3798.99	37.82	8809.82	87.90
DSP Blackrock Mutual Fund - Institutional Plan Daily Dividend Reinvestment	10035.149	100.42	10087.04	100.90	10048.77	100.52
HDFC Mutual Fund - Floating Rate Income Fund - Short Term Plan	996046.672	100.38	1003051.58	101.12	2000467.15	201.26
Wholesale Option - Dividend Reinvestment						
		<u>238.36</u>		<u>239.84</u>		<u>389.68</u>
Investments carried at fair value through profit & loss		238.36		239.84		389.68

Investments at fair value through profit & loss (fully paid) reflect investment in unquoted liquid mutual fund. Refer note __ for determination of their fair values

10 TRADE RECEIVABLES

	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	-	-	-
Unsecured, considered good	1,721.51	1,436.25	1,551.10
Doubtful	18.39	4.74	5.89
Less Provision for doubtful debts	(18.39)	(4.74)	(5.89)
against unsecured considered doubtful			
	<u>1,721.51</u>	<u>1,436.25</u>	<u>1,551.10</u>

(Refer Note No 30 for Related Party disclosure)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

11 CASH AND CASH EQUIVALENT

	March 31, 2017	March 31, 2016	April 1, 2015
Balance with Banks			
On Current Account	8.88	11.14	72.06
On Deposits Account*	7.21	4.07	1.15
Cash in hand	0.22	0.55	0.61
	<u>16.31</u>	<u>15.76</u>	<u>73.82</u>

* Balance with Banks held as margin money deposit against guarantees



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

	March 31, 2017		March 31, 2016		April 1, 2015	
12 SHARE CAPITAL	No.	(Rs. in Lacs)	No.	(Rs. in Lacs)	No.	(Rs. in Lacs)
Authorised Share Capital						
At 1st April, 2015	30,00,000	300.00	30,00,000	300.00	30,00,000	300.00
Increase/(Decrease) during the year	-	-	-	-	-	-
At 31st March, 2016	30,00,000	300.00	30,00,000	300.00	30,00,000	300.00
Increase/(Decrease) during the year	-	-	-	-	-	-
At 31st March, 2017	30,00,000	300.00	30,00,000	300	30,00,000	300
Issued equity capital						
Equity shares of INR 10 each issued, subscribed and fully paid						
At 1st April, 2015	19,80,000	198.00	19,80,000	198.00	19,80,000	198.00
Increase/(Decrease) during the year	-	-	-	-	-	-
At 31st March, 2016	19,80,000	198.00	19,80,000	198.00	19,80,000	198.00
Increase/(Decrease) during the year	-	-	-	-	0	-
At 31st March, 2017	19,80,000	198.00	19,80,000	198.00	19,80,000	198.00

Terms rights attached to equity shares :

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Shares held by holding company / ultimate holding company

Out of the equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below.

	March 31, 2017		March 31, 2016		April 1, 2015	
	No.	(Rs. in Lacs)	No.	(Rs. in Lacs)	No.	(Rs. in Lacs)
Equity shares of INR 10 each issued, subscribed and fully paid	19,80,000	198.00	19,80,000	198.00	19,80,000	198.00

Details of shareholders holding more than 5 % shares in the company

	March 31, 2017		March 31, 2016		April 1, 2015	
	No.	% of holding in the class	No.	% of holding in the class	No.	% of holding in the class
Equity shares of INR 10 each issued, subscribed and fully paid						
Exide Industries Limited	19,80,000	100	19,80,000	100	19,80,000	100

13 OTHER EQUITY

	March 31, 2017	March 31, 2016	March 31, 2015
a. Revaluation Reserve	253.30	255.45	295.14
b. General Reserve	368.13	340.98	281.29
c. Retained Earnings	541.95	504.15	494.11
d. OCI Reserve	(20.30)	(9.38)	-
	<u>1,143.08</u>	<u>1,091.20</u>	<u>1,070.54</u>



14 EMPLOYEE BENEFIT OBLIGATION

	(Rs. in Lacs)	
	Gratuity	Leave Benefit
At 1st April, 2016	11.60	31.15
Arising during the year	27.66	8.38
Utilised	(15.18)	-
At 31st March, 2017	24.08	39.53
Current	-	1.03
Non current	24.08	38.50
At 1st April, 2015	2.17	25.76
Arising during the year	24.52	6.29
Paid or settled during the year	(15.09)	(0.90)
At 31st March, 2016	11.60	31.15
Current	-	0.79
Non current	24.08	30.36

15 PROVISIONS

	2016-17	2015-16
Provision for Warranty		
At 1st April	18.88	30.54
Arising during the year	1.23	1.52
Utilised	4.01	1.52
Unused amount reversed	-	11.66
	16.10	18.88
Current	16.10	18.88
Non current	-	-

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranty were based on current sales level and current information available about returns based on warranty period for all products sold. The table below gives information about movement in warranty provision:

16 DEFERRED TAX LIABILITIES

The major components of deferred income tax expense are as under:

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	34.94	34.65	20.34
Deferred Tax Assets:			
Contribution to Employees Gratuity Fund	2.07	0.79	(0.70)
Leave Salary	(13.07)	(10.30)	(8.36)
Provision For Doubtful Debt/Advances	(6.08)	(1.56)	(1.26)
	(17.08)	(11.07)	(10.32)
Deferred tax (assets) / liabilities recognised in profit & loss	17.86	23.58	10.02
Deferred tax (assets) / liabilities recognised in OCI	(10.03)	(4.63)	-
	7.83	18.95	10.02

Deferred Tax Balance recognised in Statement of Profit & Loss

	2016-17	2015-16
Accelerated depreciation for tax purposes	0.29	14.31
Deferred Tax Assets:		
Contribution to Employees Gratuity Fund	1.28	1.49
Leave Salary	(2.77)	(1.94)
Provision For Doubtful Debt/Advances	(4.52)	(0.30)
	(6.01)	(0.75)

Reconciliation of Deferred Tax Balance recognised in Balance Sheet

	March 31, 2017	March 31, 2016
Opening balance as on 1st April	18.95	10.02
Tax income (expense) during the period recognised in profit or loss	(5.72)	13.56
Tax income/(expense) during the period recognised in OCI	(5.40)	(4.63)
	7.83	18.95

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



	March 31, 2017		March 31, 2016		(Rs. in Lacs) April 1, 2015
17 BORROWING SHORT TERM					
Cash Credit from ICICI Bank	12.35	115.89	12.35	98.72	
Interest Rate	12.35		12.35		12.35
Maturity	15.11.2016		15.11.2016		15.11.2016
		<u>115.89</u>		<u>98.72</u>	
The Cash Credit facility shall be utilized by the company for meeting its working capital requirement. (Secured by hypothecation of Raw Materials, Finished Stock, Work-in-Progress, Book Debts & other receivables.)					
18 TRADE PAYABLE					
Trade payable to Micro and Small Enterprises		16.68		0.48	
Trade payable for goods & services & Acceptances		1,688.67		1,164.10	1,493.98
(Refer Note No 30 for Related Party disclosure)		<u>1,705.35</u>		<u>1,164.58</u>	<u>1,493.98</u>
(Refer Note No 39 for detailed disclosure under MSMED)					
19 OTHER PAYABLE					
Withheld / Collected Taxes and duties payable		15.69		16.32	14.64
Accrued Salaries and Benefits		17.97		14.51	8.33
Others		146.70		114.51	93.92
		<u>180.36</u>		<u>145.34</u>	<u>116.89</u>
20 OTHER NON-FINANCIAL LIABILITIES					
Advances from customers		88.55		100.86	86.32
Other Payable for Capital Goods		31.08		10.35	
		<u>119.63</u>		<u>111.21</u>	<u>86.32</u>



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

	2016-17 (Rs in Lacs)	2015-16 (Rs in Lacs)
21 REVENUE FROM OPERATION		
Sale of products		
Finished Goods	2,941.27	2,160.86
Traded Goods	4,816.82	3,624.07
Sale of services	269.33	208.29
Other operating revenues	-	-
Scrap sales	6.92	10.83
	8,034.34	6,004.05

Sale of goods includes excise duty collected from customer Rs 256.78 lacs (PY Rs 194.73 lacs)

Sales are net of price adjustments for earlier years, settled during the year by the Company and discounts, trade incentives etc.

22 OTHER INCOME		
Interest Income on		
- Bank deposits	0.56	0.24
- Others	1.29	13.92
Dividend Income on Short Term Investments	12.39	17.62
Foreign exchange gain (Net)	-	0.96
Other non-operating income	-	-
Other Miscellaneous Income	0.55	0.27
	14.79	33.01

23 COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Opening Stock	54.06	33.38
Add: Purchases	1,713.45	1,095.68
	1,767.51	1,129.06
Less: Closing Stock	121.46	54.06
	1,646.05	1,075.00

DETAILS OF PURCHASE OF GOODS

Storage Batteries	1,522.83	1,625.23
Solar	2,747.52	1,542.20
	4,270.35	3,167.43

(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND

24 STOCK IN TRADE		
OPENING STOCK		
Work-in-progress	140.79	120.85
Finished goods	131.08	3.34
Trading Goods	71.99	123.64
	343.86	247.83
CLOSING STOCK		
Work-in-progress	268.98	140.79
Finished goods	103.50	131.08
Trading Goods	144.31	71.99
	516.79	343.86
Increase / (Decrease) in Excise Duty on Finished Goods	(11.50)	14.56
	(161.43)	(110.59)



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

	2016-17	2015-16
	(Rs in Lacs)	(Rs in Lacs)
25 EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	923.30	792.08
Contribution to provident and other funds (Refer Note 29)	65.96	59.12
Staff welfare expenses	48.28	42.34
	1,037.54	893.54
26 FINANCE COSTS		
Interest expenses	0.93	3.49
Other borrowings costs	2.38	8.65
	3.31	12.14
27 DEPRECIATION AND AMORTIZATION		
Depreciation of tangible assets	27.87	43.85
Amortisation of intangible assets	14.87	11.79
	42.74	55.64
28 OTHER EXPENSES		
Stores and spare parts consumed	71.23	52.38
Power and fuel	41.36	35.94
Other Manufacturing Expenses	4.13	5.95
Repairs and maintenance	-	-
Buildings	3.89	1.50
Plant & machinery	1.22	0.95
Others	16.80	17.96
Rent & Hire Charges	16.58	11.09
Rates and taxes	20.91	4.80
Insurance	1.52	0.85
Commission	5.71	-
Freight, Packing & Forwarding (net)	173.29	118.58
Travelling & Conveyance	133.74	113.44
Bank Charges	16.54	12.20
Communication Costs	19.46	12.22
Loss on Sale of Fixed assets and Assets Discarded (Net)	0.23	0.02
Auditors' Remuneration:	-	-
- Audit Fee	2.25	1.75
- Tax Audit Fee	0.60	0.60
- Others for Certification, out of pocket expenses and Service Tax	0.55	0.41
Miscellaneous expenses (refer Note 29)	116.72	91.06
	646.73	481.70



	2016-17	2015-16
	(Rs in Lacs)	(Rs in Lacs)
29 MISCELLANEOUS EXPENSES		
Motor Vehicle Running Expenses	4.38	6.25
Consultancy & Services outsourced	33.73	36.36
Security Service Charges	12.56	11.66
General Expenses	1.21	1.97
Liquidated Damages	24.92	-
Legal Expenses	1.47	1.71
Printing & Stationery	4.11	4.11
Subscription	0.12	0.59
Tender Form Purchase	2.94	1.02
Warranty Cost	1.22	0.80
Business Promotion Expenses	0.88	12.10
CSR Expenses	11.00	10.00
ISO Expenses	3.13	1.22
Books & Periodicals	0.06	0.28
Provision for Bad & Doubtful Debts	13.65	2.99
Foreign Exchange Fluctuation (net)	1.34	-
	116.72	91.06
30 Income Tax		
Current income tax charge	107.00	83.00
Adjustments in respect of current income tax of previous year	-	(2.10)
	107.00	80.90
Deferred Tax		
Relating to origination and reversal of temporary differences	(11.12)	8.93
31 Details of CSR expenditure:		
Prime Minister National Relief Fund	-	3.50
Rongmei Naga Baptist Association	-	6.50
Child in need Institute	7.55	-
Cheshire Homes India	3.45	-
Others	-	-
	11.00	10.00
32 Earning Per Share		

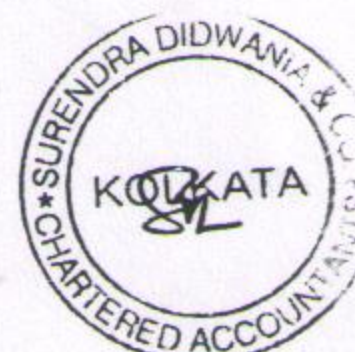
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Details for calculation of basic and diluted earning per share:

Profit after tax as per Statement of Profit and Loss	194.86	163.64
Weighted average number of equity share	19,80,000	19,80,000
Basic and diluted earning per share (Rs.)	9.84	8.26



33 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) The Company is controlled by Exide Industries Limited which is the holding company

The Company is wholly owned by Exide Industries Limited (EIL). All the directors are nominated by (EIL) and hence it holds direct control over the Board of the Company. It exercises control over the Company as it is exposed to variable returns by way of dividends and it has decision-making rights in the capacity as the principal to use its power to influence such variable returns. Apart from above The parent Company EIL does not exercise any control over the operations of the Company.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

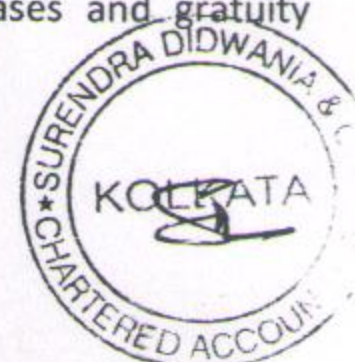
(a) Employee benefit plans

The cost of the leave benefits, defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality table of India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 33.



(b) Fair value measurement of financial instruments

When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note __ for further disclosures.

(c) Inventories provision

The Company estimates the provision against slow and non-moving inventory by applying certain % over different age category of the inventory. Inputs to the model include ageing of inventory, expected loss rate and net realisable value in future.

(d) Warranty, Non discounting to warranty

The Company estimates the provision for warranty based on past trend of actual issues of materials under warranty. As at 31 March 2017, the estimated liability towards warranty amounted to approximately Rs. 16.09 lacs (March 31, 2016: Rs 18.88 lacs April 1, 2015: Rs 30.54 lacs)

The provision towards warranty is not discounted as the management, based on past trend, expects to use the provision within twelve months after the Balance Sheet date.



Employee Benefit Expenses
Gratuity

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to payment of Gratuity as per the provisions of Gratuity Act, 1972. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, The Board of Trustees is responsible for the administration of the plan assets. The Company has entrusted investment strategy to LIC through their group gratuity policy.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following table summarizes the components of net benefit expenses recognized in the statement of profit & loss, funded status and the amounts recognized in the balance sheet for the respective plans.

(Rs in Lacs)

i) Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
01-Apr-16	Service cost	Net interest expense	Sub-total included in profit or loss (Note 22)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	31 March 2017
	(133.77)	(13.03)	(9.70)	(22.73)	8.80	-	(5.45)	(7.51)	(12.96)	-	(160.66)
Defined benefit obligation											
Fair value of plan assets	122.17	-	9.47	9.47	(8.80)	(3.36)	-	-	(3.36)	17.10	136.58
Benefit liability	(11.60)			(13.26)	-				(16.32)	17.10	(24.08)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2016:

Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
01-Apr-15	Service cost	Net interest expense	Sub-total included in profit or loss (Note 22)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	31 March 2016

ii) The major categories of plan assets
Investments with insurer

2016-17

100%

2014-15

100%



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

34 Employee Benefit Expenses

Gratuity

(Rs in Lacs)

A. Expected Benefit Payments for the year ending

1 March 31, 2018	4.76
2 March 31, 2019	5.45
3 March 31, 2020	12.18
4 March 31, 2021	17.76
5 March 31, 2022	14.37
6 March 31, 2023 to March 31, 2017	114.05

iii) The Company expects to contribute Rs 24.00 lacs for the period ending 31st March, 2018.

iv) Actuarial Assumptions

1 Discount Rate	7.50 % p.a
2 Expected rate of return on plan assets	9.00 % p.a
3	
Weighted average rate of increase in compensation level	8.00 % p.a
4 Mortality pre retirement	Standard Table LIC (1994-96) Ultimate
5 As of March 31, 2017, 1 % percentage point increase in discount rate will affect our gratuity benefit obligation by	(-) 14.49 lacs
As of March 31, 2017, 1 % percentage point decrease in discount rate will affect our gratuity benefit obligation by	(+) 16.84 lacs
As of March 31, 2017, 1 % percentage point increase in salary escalation rate will affect our gratuity benefit obligation by	(+) 14.00 lacs
As of March 31, 2017, 1 % percentage point decrease in salary escalation rate will affect our gratuity benefit obligation by	(-) 13.09 lacs

v) Healthcare cost trend rates have no effect on the amounts recognised in the profit and loss account, since the benefit is in the form of a fixed amount as per the various grades, which is

vi) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the

vii) Leave encashment benefits has been actuarially valued and provided for. The Company has not set aside any fund to meet such liability. Hence the entire amount is shown under liabilities.

viii) Contribution to Provident and Other Funds includes Rs 49.18 Lacs (Rs 43.94 Lacs) paid towards Defined Contribution Plans



Related party disclosures as per Accounting Standard -- 24 are given below:

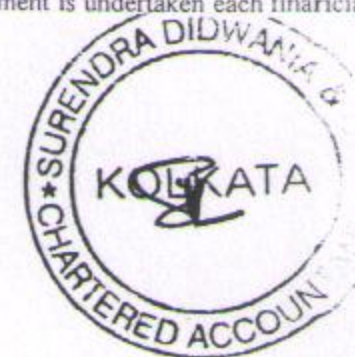
- i) Name and description of relationship with the related parties:
- a) Parent Company Exide Industries Limited
 - b) Fellow Subsidiary Companies Chloride International Limited
Chloride Metals Limited
Chloride Batteries S E Asia Pte Limited
Espex Batteries Limited
Associated Battery Manufacturers (Ceylon) Limited
Exide Life Insurance Co. Ltd
 - c) Key Management Personnels & their relatives Mr. Jahar Sengupta
 - d) Entities with joint control or significant influence over the Company Not Applicable

ii) Details of transactions entered into with the related parties :

	Year Ended	Sale to related parties	Purchase from related parties	Amounts owed by related parties*	Amounts owed to related parties*
Purchases of goods : Exide Industries Limited	31 March 2017 31 March 2016 1 April 2015		2,471.01 2,084.14		650.51 678.85 1,023.35
Sale of goods : Exide Industries Limited	31 March 2017 31 March 2016 1 April 2015	1,058.53 475.63		255.46 32.50 15.83	- - -
Chloride Batteries S E Asia PTE LTD	31 March 2017 31 March 2016 1 April 2015	51.05 63.03		35.09 18.15 -	- - -
		Amount Received	Amount Paid	Amounts owed by related parties*	Amounts owed to related parties*
Dividend Payment : Exide Industries Limited	31 March 2017 31 March 2016 1 April 2015	118.80 118.80		- - -	- - -
Rent Paid Exide Industries Limited	31 March 2017 31 March 2016 1 April 2015		4.62 4.62 -	- - -	- - -
Remuneration to CEO - Mr Jahar Sengupta	31 March 2017 31 March 2016 1 April 2015	37.32 35.90		- - -	- - -

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

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Fair values

(in Rs Lacs)

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value INR lacs	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
31st March 2017							
Assets:							
Cash and cash equivalents	16.31	-	-	-	-	16.31	16.31
Investments - Liquid mutual fund units	-	-	238.35	-	-	238.35	238.35
Trade receivables	1,721.51	-	-	-	-	1,721.51	1,721.51
Loans	0.52	-	-	-	-	0.52	0.52
Total	1,738.34	-	238.35	-	-	1,976.69	
Financial liabilities							
- Short term borrowings	115.90	-	-	-	-	115.90	115.90
- Trade payables	1,705.35	-	-	-	-	1,705.35	1,705.35
- Other financial liabilities	180.36	-	-	-	-	180.36	180.36
Total	2,001.61	-	-	-	-	2,001.61	
31st March 2016							
Assets:							
Cash and cash equivalents	15.76	-	-	-	-	15.76	15.76
Investments - Liquid mutual fund units	-	-	239.84	-	-	239.84	239.84
Trade receivables	1,436.25	-	-	-	-	1,436.25	1,436.25
Loans	0.65	-	-	-	-	0.65	0.65
Total	1,452.66	-	239.84	-	-	1,692.50	
Financial liabilities							
- Short term borrowings	99	-	-	-	-	99	98.72
- Trade payables	1,165	-	-	-	-	1,165	1,164.58
- Other financial liabilities	145	-	-	-	-	145	145.34
Total	1,409	-	-	-	-	1,409	

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

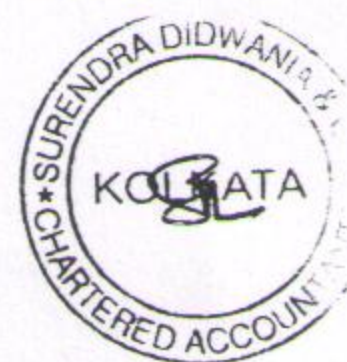
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

► Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

► The fair values of the unquoted mutual funds have been taken at NAV (Net Assets Values) declared by the managers of such mutual funds. In case of liquid mutual fund held for securing Income the same is carried at cost unless significant impairment in valuation is observed.

► The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

► The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 was assessed to be insignificant.



Fair value hierarchy

(in Rs Lacs)

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(Rs in Lacs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Date of Valuation	Total	Fair value measurement using		
		Quoted prices in	significant	significant
		active market	observable	unobservable
		Level -1	Level -2	Level -3
Assets measured at fair value:				
FVTOCI financial investments (Note, **):				
Unquoted Liquid Mutual Funds	31st March, 2017	238.35	-	238.35

.Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

Date of Valuation	Total	Fair value measurement using		
		Quoted prices in	significant	significant
		active market	observable	unobservable
		Level -1	Level -2	Level -3
FVTOCI financial investments (Note, **):				
Unquoted Liquid Mutual Funds	31st March, 2016	239.84	-	239.84



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

Notes to Financial Statements for the year ended 31 March 2017

37**Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes trade receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company accounts their un-quoted investment through FVTPL transactions. The company as on 31.03.2017 does not hold any quoted investments and investments having equity based assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is directly supported by their senior management of holding company that directs on financial risks and the appropriate financial risk governance framework for the Company. The senior management also provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2017.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 45.

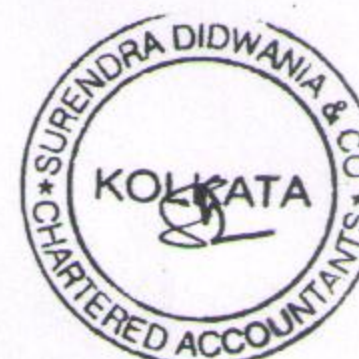
The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

All of the Company's borrowings are at a floating rate of interest. The Company manages its interest rate risk by keeping the borrowing limit at minimum level



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, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

		INR lacs
	<u>Increase/decrease in basis points</u>	<u>Effect on profit before tax</u>
31 March 2017	+0.50	-0.04
31 March 2017	-0.50	+0.04
31 March 2016	+0.50	-0.13
31 March 2016	-0.50	+0.13

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is nil.

	<u>Change in USD rate</u>	<u>Effect on profit before tax</u> <u>INR Rs in Lacs</u>	<u>Effect on pre-tax equity</u> <u>INR Rs in Lacs</u>
31 March 2017	+5.00 %	+1.92	+1.92
	-5.00 %	-1.92	-1.92
31 March 2016	+5.00 %	+5.54	+5.54
	-5.00 %	-5.54	-5.54

There are no items of assets or liability designated in foreign exchange which has any impact on pre-tax equity as at the year end.

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of electronic parts and therefore require a continuous supply of cable, copper & steel. Due to the significantly increased volatility of the price of the copper, the Company tries to minimise the risk by keeping the stock at optimum level.

The Company's senior management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation based on past trend and 12 months forecast.



Commodity price sensitivity

The following table shows the effect of price changes in copper net of hedge accounting impact.

	<u>Change in year-end price</u>	<u>Effect on profit before tax INR Rs in Lacs</u>	<u>Effect on equity INR Rs in Lacs</u>
31 March 2017			
Cable & Copper	+5.00 %	+5.62	+5.62
	-5.00 %	-5.62	-5.62
Steel	+5.00 %	+3.62	+3.62
	-5.00 %	-3.62	-3.62

Equity price risk

The Company has not invested in any listed and non-listed equity securities and hence is not susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company as a policy decision has decided only to invest in debt based mutual funds with very low price risk. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

At the reporting date, the exposure to listed or unlisted equity securities at fair value was Nil as such the sensitivity analyses of these investments is not required.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to new customers are generally covered by letters of credit or other forms of credit insurance. At 31 March 2017, the Company had top 20 customers (31 March 2016: 20 customers,) that owed the Company more than INR 1100 lacs and accounted for approximately 71% (31 March 2016: 61%,) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's senior management in accordance with the Company's policy. Investments of surplus funds are made only in liquid mutual fund with very low risk of impairment.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 6 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is nil as noted in the liquidity table below.



Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. As per the present funding facility no amount of borrowings should mature in the next 12-month period based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	<u>On demand</u> <u>INR lacs</u>	<u>Less than 3 months</u> <u>INR lacs</u>	<u>3 to 12 months</u> <u>INR lacs</u>	<u>1 to 5 years</u> <u>INR lacs</u>	<u>> 5 years</u> <u>INR lacs</u>	<u>Total</u> <u>INR lacs</u>
Year ended 31 March 2017						
Borrowings (other than convertible preference)	115.89	-	-	-	-	115.89
Contingent consideration	-	-	-	-	-	-
Trade and other payables	568.45	1,136.90	-	-	-	1,705.35
Other financial liabilities	180.36	-	-	-	-	180.36
Financial Guarantee Contract *	-	-	-	-	-	-
	<u>864.70</u>	<u>1,136.90</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,001.60</u>

	<u>On demand</u> <u>INR lacs</u>	<u>Less than 3 months</u> <u>INR lacs</u>	<u>3 to 12 months</u> <u>INR lacs</u>	<u>1 to 5 years</u> <u>INR lacs</u>	<u>> 5 years</u> <u>INR lacs</u>	<u>Total</u> <u>INR lacs</u>
Year ended 31 March 2016						
Borrowings (other than convertible preference)	98.72	-	-	-	-	98.72
Contingent consideration	-	-	-	-	-	-
Trade and other payables	388.19	776.39	-	-	-	1,164.58
Other financial liabilities	145.34	-	-	-	-	145.34
Financial Guarantee Contract *	-	-	-	-	-	-
	<u>632.25</u>	<u>776.39</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1408.64</u>



Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Collateral

The Company has pledged part of its short-term deposits in order to fulfil the collateral requirements for performance guarantee contracts. At 31 March 2017 and 31 March 2016 the fair values of the short-term deposits pledged were INR 7.21 lacs, INR 4.08 lacs respectively. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

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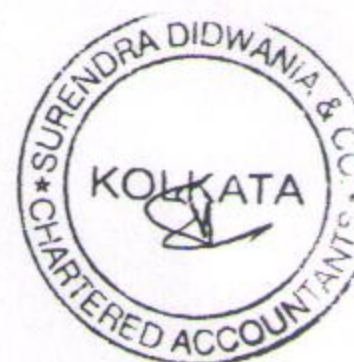
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders (the parent company). The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 100 % and 150 %. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	31 March 2017 INR Rs in Lacs	31 March 2016 INR Rs in Lacs
Borrowings other than convertible preference shares (Note 17)	115.89	98.72
Trade payables (Note 18)	1,705.35	1,164.58
Other payables (Note 19)	180.36	145.34
Less: cash and cash equivalents (Note 11)	16.31	15.76
Net debt	1,869.40	1,294.16
Equity	1,341.08	1,289.20
Gearing ratio	139.40	100.38

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

38 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**(in Rs Lacs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs in Lacs)				
Particulars	SBNs*		Other denomination notes	Total
Closing cash in hand as on November 8, 2016	0.79	-	0.25	1.03
(+) Permitted receipts	-	-	3.65	3.65
(-) Permitted payments	-	-	3.51	3.50
(-) Amount deposited in Banks	0.79	-	0.01	0.80
	-	-	-	-
Closing cash in hand as on December 30, 2016	-		0.38	0.38



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

ACCOUNTING POLICIES AND NOTES ON ACCOUNT

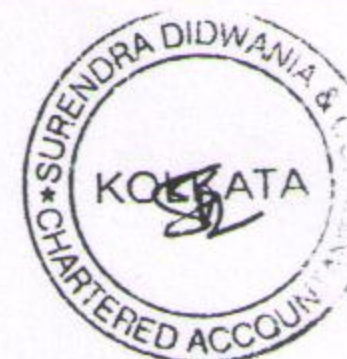
- 39 The Company's business activity falls within a single primary business segment viz "Manufacturing and Sales of Battery Chargers and Allied Products" the disclosure requirements of Indian Accounting Standard (Ind AS) – 108 'Operating Segment' issued by the Institute of Chartered Accountants of India' are not applicable.
- 40 Section 145A of the Income Tax Act, 1961 requires the Company to consider the impact of CENVAT benefit in both purchases and inventories of Raw Materials, Work-in-progress and Components (only to the extent of its inclusion in their respective inventories). However as per the guidelines of the Institute of Chartered Accountants of India, the Company has valued the above stocks net of CENVAT benefit. Such valuation has however no impact on the profitability of the Company.
- 41 The Company has preferred an appeal u/s 34 of the Arbitration Act, 1996, at Alipur Court, Kolkata praying an order to set aside the award dated 20.09.2008 passed by Andhra Pradesh Micro & Small Enterprises facilitation council amounting to Rs 53.66 lacs in favour of M/S Infinity E V Motors Pvt Ltd, Hyderabad. The Company expects favourable decision in its favour and no liability is expected to arise in this case.

As per information available there is no other pending litigation against the Company in any Court as on date.

42 Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".

	March 31, 2017 (Rs in Lacs)	March 31, 2016 (Rs in Lacs)
Principal amount due but not overdue	16.68	0.48
Interest due on above	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	-	-
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-
43 Exceptional Items	-	-
44 Capital and other commitments		
Commitment for acquisition of fixed assets	-	-
Commitment for investment	-	-
Other Commitments	-	-
45 Contingent Liabilities not provided for		
Outstanding Bank Guarantees / Indemnity Bonds	8.19	8.19
Income Tax Demand	-	30.15
Sales Tax demands	384.28	21.43
Excise Duty demands	0.37	0.37
	<u>392.84</u>	<u>60.14</u>



CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

ACCOUNTING POLICIES AND NOTES ON ACCOUNT

	March 31, 2017 (in Rs Lacs)	March 31, 2016 (in Rs Lacs)
46 Value of Raw Materials Consumed		
Imported - 2.53 % (PY Nil %)	41.64	2.23
Indigenous - 97.47 % (PY 100 %)	1,604.40	1,072.76
	<u>1,646.04</u>	<u>1,074.99</u>
47 Value of Stores and Spare parts Consumed		
Imported - Nil % (PY Nil %)	-	-
Indigenous - 100 % (PY 100%)	71.23	52.38
	<u>71.23</u>	<u>52.38</u>
48 Value of Imports (C.I.F basis)		
Fixed Assets	-	-
49 Income & Expenditure in Foreign Currency (on accrual basis)		
Income		
Export(F.O.B. Value)	155.84	174.61
Expenditure		
Imports (C.I.F basis)	41.64	2.23
Travelling Expenses	5.60	2.96
	<u>47.24</u>	<u>5.19</u>

50 Figures in brackets relate to previous year and the same have been regrouped/rearranged where necessary.

As per our report of even date.

Surendra Didwania & Co.
Firm Reg. Number: 322745 E
Chartered Accountants

S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : April 17, 2017



As Approved,
For and on behalf of the Board of Directors

Directors