CHLORIDE METALS LIMITED

Balance Sheet

And

Auditors' Report

2020-21

Auditors:

NATVARLAL VEPARI & CO.

Chartered Accountants
903-904, 9th Floor,
Raheja Chambers,
213, Nariman Point,
Mumbai – 400 021

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

INDEPENDENT AUDITORS' REPORT

To
The Members of
Chloride Metals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Chloride Metals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 its profit (including other comprehensive income) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's Report thereon.

The Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises of the Report of the Board of Directors but does not include the Financial Statements and our Independent Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Natvarlal Vepari & Co.

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In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance 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 Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   c. The Balance Sheet, the Statement of Profit and Loss (including comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year to which the provisions of section 197 of the Act applies.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the Financial Statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

   iii. There are no amounts that are required to be transferred to the Investor Education and Protection.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration no.106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: April 14, 2021
UDIN : 21040441AAAAAY7684

ANNEXURE A

To the Independent Auditors' Report on the Financial Statements of Chloride Metals Limited

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

b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the Company. In respect of immovable properties of land under lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, however the original title deeds of the immovable property are in the possession of the banker for the loan taken against the same.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed between the book stock and the physical stocks were not material and they have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loan secured or unsecured to any company, firm, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act 2013. Therefore clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or made any investments, or given any guarantees and security to which section 185 or section 186 of The Companies Act, 2013 applies and hence clause 3(iv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

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(vii) a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year except for a delay noted in case of custom duty on account of Covid19 related lockdown during March 20 to May 20. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, GST, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as detailed hereinbelow;

Name	Nature of Dues	Amount (Rs. in lacs)	Period to which it relates	Forum where dispute is pending
Income Tax	Tax on PF disallowances	0.88	AY 2017-18	CIT (A)
Customs	Short Collection of duty	5.60	FY 2010-11	Deputy Commissioner of Customs
Customs	Short Collection of duty	6.26	FY 2010-11	Deputy Commissioner of Customs
Customs	Penalty	46.25	FY 2018-19	Deputy Commissioner of Customs
	Total	**58.99**		

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. The Company has not raised any borrowings by way of debentures.

(ix) The Company has not raised any money by way of initial public offer / further-public offer (including debt instruments). The Company has raised funds by way of term loan during the year and according to the information and explanations given to us and based on our overall review of the financial statements, documents and records produced before us, the term loan availed was utilised for the stated end use.

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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(xi) During the year no managerial remuneration has been paid / provided to which the provisions of section 197 read with schedule V to the Companies Act, 2013 applies.

(xii) The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration no.106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: April 14, 2021
UDIN : 21040441AAAAAY7684

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Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Chloride Metals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 with reference to financial statements 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 with reference to Financial Statements 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 with reference to Financial Statements, both applicable to an audit of Internal Financial Controls with reference to Financial Statements 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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 with reference to Financial Statements.

Because of the inherent limitations of Financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration no.106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: April 14, 2021
UDIN : 21040441AAAAAY7684

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Balance Sheet as on March 31, 2021

Particulars	Note No.	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	18,279.76	10,912.53
(b) Right to use - Lease	4A	143.17	176.90
(c) Capital work-in-progress	3	8,779.46	4,434.41
(d) Other intangible assets	3	2.18	2.39
(e) Financial assets			
(i) Loans	5	184.37	119.82
(f) Other non-current assets	6	501.92	3,406.89
		27,890.86	19,052.94
(2) Current assets			
(a) Inventories	7	17,226.91	13,794.75
(b) Financial assets			
(i) Trade receivables	8	10,020.66	2,148.90
(ii) Cash and cash equivalents	9	35.32	850.23
(iii) Others	10	846.78	602.11
(c) Other current assets	11	2,152.96	702.73
		30,282.63	18,098.72
Total Assets		58,173.49	37,151.66
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	12	5,088.10	4,738.10
(b) Other equity	13	12,863.27	9,093.86
		17,951.37	13,831.96
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	14	4,353.17	-
(ii) Trade payables	15		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		118.84	-
(iii) Lease liability - ROU assets	4B	121.10	151.95
(iv) Lease liability - others	16	372.88	355.49
(b) Provisions	17	208.50	181.62
(c) Deferred tax liabilities (net)	18	397.06	354.81
		5,571.55	1,043.87
(2) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	19	1,256.81	-
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	20	15,197.30	5,991.28
Total outstanding dues of creditors other than micro and small enterprises	20	16,967.12	15,242.93
(iii) Lease liability - ROU assets	4B	30.85	28.30
(iv) Lease liability - others	21	36.88	35.16
(v) Other financial liabilities	22	889.47	498.86
(b) Current tax liability	23	21.12	-
(c) Other current liabilities	24	200.67	434.93
(d) Provisions	25	50.35	44.37
		34,650.57	22,275.83
Total Equity and Liabilities		58,173.49	37,151.66

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

As per our report of even date
For Natvarlal Vepari and Co.
ICAI Firm Registration No. : 106971W
Chartered Accountants

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N. Jayendran
Partner
M.No. 40441

Sd/-
D J Banerjee
CEO

Place : Mumbai
Date : April 14, 2021

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 00131626
Director

Sd/
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary
ACS No. 23758

Place : Kolkata
Date : April 14, 2021

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No.	March 31, 2021 (Rs. in Lacs)	March 31, 2020 (Rs. in Lacs)
I) INCOME			
Revenue from operations (gross)	26	185,468.70	202,218.83
Other income	27	226.82	7.98
Total Income (I)		**185,695.52**	**202,226.81**
II) EXPENSES			
Cost of raw materials and components consumed	28	175,857.06	186,443.34
(Increase) / decrease in inventories of finished goods and work-in - progress	29	(3,068.37)	2,284.46
Employee benefits expense	30	2,580.55	2,712.59
Finance costs	31	230.25	52.43
Depreciation & amortization expense	32	562.41	562.01
Other expenses	33	7,651.16	8,861.20
Total expenses (II)		**183,813.06**	**200,916.03**
Profit before tax (I-II)		**1,882.46**	**1,310.78**
Tax expense		**479.06**	**234.80**
1. Current tax		450.00	416.00
2. Short/ (excess) provision of income tax		(11.34)	-
3. Deferred tax liability / (asset)		40.40	(181.20)
Profit for the period from continuing operations		**1,403.40**	**1,075.98**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability) / asset		7.32	(30.23)
Tax effect thereon		(1.84)	7.61
Total other comprehensive income, net of tax		**5.48**	**(22.62)**
Total comprehensive income for the year		**1,408.88**	**1,053.36**
Earnings per equity share			
Equity shares of par value Rs.10/- each			
Basic and diluted (Rupees)	35	**2.79**	**2.27**

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

As per our report of even date
For Natvarlal Vepari and Co.
ICAI Firm Registration No. : 106971W
Chartered Accountants

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : April 14, 2021

Sd/-
D J Banerjee
CEO

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 00131626
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary
ACS NO. 23758

Place : Kolkata
Date : April 14, 2021

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Cash Flows for the year ended March 31, 2021

	2020-21 (Rs. In lacs)	2019-20 (Rs. In lacs)
Cash flow from operating activities:		
Profit for the period	1,882.46	1,310.78
Add : Adjustments		
Depreciation and amortization expense	562.41	562.01
Interest and borrowing costs	197.41	33.52
Interest on lease liability	16.22	18.56
Interest received	(7.45)	(6.52)
Interest accounted on EIR basis	(3.05)	(0.75)
Asset scrapped	16.28	-
Rent charges on Fair value of deposit	5.95	-
Profit on sale / write off of plant, property and equipment and CWIP	(1.45)	(0.40)
Provisions for expected credit loss	-	29.07
Exchange (gain) / loss	22.18	174.22
Provisions and other write backs	3.25	(1.45)
	811.75	**808.26**
Working capital changes		
(Increase) / decrease in trade receivables	(7,871.10)	12,224.69
(Increase) / decrease in loans and other financial assets and other assets	(1,801.52)	35.77
(Increase) / decrease in inventories	(3,432.16)	2,263.68
Increase / (decrease) in trade payables	10,907.36	(2,381.21)
Increase / (decrease) in other financial liabilities and other liabilities and provisions	(263.45)	(466.34)
Cash generated from operations	**233.34**	**13,795.63**
Income tax paid	(424.67)	(618.68)
Net cash flows from operating activities	**(191.32)**	**13,176.95**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	3.57	0.63
Purchase of property, plant and equipment and CWIP	(8,659.03)	(6,679.75)
Interest received	6.31	6.52
Net cash flows from / (used in) investing activities	**(8,649.15)**	**(6,672.60)**
Cash flow from financing activities		
Dividend paid	(785.71)	(947.62)
Dividend distribution tax paid	-	(194.79)
Payment of lease liabilities ROU assets (refer note 4C)	(44.52)	(44.52)
Payment of lease liabilities land	(16.05)	(15.29)
Expenses for increase in authorized capital	(3.75)	-
Proceeds from Right issue of shares	3,500.00	-
Proceeds from long term borrowings	4,353.17	-
Proceeds from current borrowings	1,256.81	-
Repayment of current borrowings	-	(4,385.67)
Interest paid	(234.39)	(80.11)
Net cash flow from / (used in) financing activities	**8,025.56**	**(5,668.00)**
Net increase /(decrease) in cash and cash equivalents	**(814.91)**	**836.35**
Cash and cash equivalents at the beginning of the year	850.23	13.88
Cash and cash equivalents at the end of the year	35.32	850.23
	(814.91)	**836.35**

Refer note no. 14 (d) for reconciliation of liabilities from financing activities

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

As per our report of even date
For Natvarlal Vepari and Co.
ICAI Firm Registration No. : 106971W
Chartered Accountants

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N. Jayendran
Partner
M.No. 40441

Sd/-
D J Banerjee
CEO

Place : Mumbai
Date : April 14, 2021

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 00061626
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary
ACS NO. 23758

Place : Kolkata
Date : April 14, 2021

CHLORIDE METALS LIMITED

CIN U34300WB1998PLC181003

Statement of Changes in Equity for the year ended March 31, 2021

A) Equity share capital

	March 31, 2021 Number	March 31, 2021 (Rs. In Lacs)	March 31, 2020 Number	March 31, 2020 (Rs. In Lacs)
Authorized Share Capital				
4,75,00,000 equity shares of Rs. 10 each	47,500,000	4,750.00	47,500,000	4,750.00
Addition during year - 50,00,000 equity share of Rs. 10 each	5,000,000	500.00	-	-
Total Authorized capital (5,25,00,000 equity shares of Rs.10 each)	**52,500,000**	**5,250.00**	**47,500,000**	**4,750.00**
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	47,380,952	4,738.10	47,380,952	4,738.10
Changes in equity share capital during the year	3,500,000	350.00	-	-
Balance at Mar 31,2021	**50,880,952**	**5,088.10**	**47,380,952**	**4,738.10**

B) Other equity

(Rs. In Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance at April 1, 2019	3,115.25	1,610.00	4,457.66	**9,182.91**
Changes during the year				
Addition during the year	-	-	-	-
Profit for the year	-	-	1,075.98	**1,075.98**
Other Comprehensive Income for the year, net of tax	-	-	(22.62)	**(22.62)**
Interim dividend paid for the year 2019-20	-	-	(947.62)	**(947.62)**
Tax on Interim dividend for the year 2019-20	-	-	(194.79)	**(194.79)**
Balance at March 31, 2020	**3,115.25**	**1,610.00**	**4,368.61**	**9,093.86**
Changes during the year				
Addition during the year	3,150.00	-	-	**3,150.00**
Profit for the year	-	-	1,403.40	**1,403.40**
Share issue expenses	(3.75)	-	-	**(3.75)**
Interim dividend paid for the year 2020-21	-	-	(785.71)	**(785.71)**
Other Comprehensive Income for the year, net of tax			5.48	**5.48**
Balance at Mar 31, 2021	**6,261.50**	**1,610.00**	**4,991.77**	**12,863.27**

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

As per our report of even date
For Natvarlal Vepari and Co.
ICAI Firm Registration No. : 106971W
Chartered Accountants

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N. Jayendran
Partner
M.No. 40441

Sd/-
D J Banerjee
CEO

Place : Mumbai
Date : April 14, 2021

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 00131626
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary
ACS No. 23758

Place : Kolkata
Date : April 14, 2021

CHLORIDE METALS LIMITED
CIN: U34300WB1998PLC181003

Statement of Significant Accounting policies and Other Explanatory Notes for financial statements for the year ended March 31, 2021.

1. Corporate Information

The Company was incorporated on December 14, 1998 formerly known as Tandon Metals Limited. Chloride Metals Limited is a wholly owned subsidiary of Exide Industries Limited with effect from November 01, 2007. Pursuant to the approval of the scheme of amalgamation of Chloride Alloys India Limited, another wholly owned subsidiary, with effect from April 01, 2015, the operations of the said Chloride Alloys India Limited have been merged with those of the Company. Both plants have an integrated and state-of the art smelting facility which is engaged in the process of extracting lead and lead alloys by re-melting impure lead and recycling lead scrap batteries and worn-out lead content products. The Company is setting up a greenfield plant at Haldia. During the year, the Company had part commissioned its greenfield plant at Haldia. The entire plant is expected to be commissioned in the financial year ending March 31, 2022.

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 14, 2021

2. Basis of Preparation, Accounting judgements, estimates and assumptions and significant Accounting Policies:

2.1. Basis of Preparation

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the year ended March 31, 2021 are prepared in accordance with Ind AS .

The financial statements are presented in INR and all values are rounded to the nearest lac (INR 00,000), except otherwise stated.

2.2. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the periods. 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 circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. 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 circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Judgements

The Company's management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a) **Useful lives of property, plant and equipment -** The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) **Impairment of property, plant and equipment -** For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

c) **Inventories -**The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

d) **Recognition and measurement of other Provisions -** The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may, therefore, vary from the amount included in other provisions.

2.3. Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

i. It is expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. It is held primarily for the purpose of trading
iii. It is expected to be realised within 12 months after the reporting period; or
iv. It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when:

i. It is expected to be settled in normal operating cycle;
ii. It is held primarily for the purpose of trading;
iii. It is due to be settled within twelve months after the reporting period; or
iv. There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

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

b) Property, plant and equipment (PPE)

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

- 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.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

- The Property, plant and equipment existing on the date of transition on application of Ind AS are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 First-time Adoption of Indian Accounting Standards at previous GAAP carrying value.

c) Intangible assets

- Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

- 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.

- 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.

- Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

- Gains or losses arising from de-recognition 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.

d) Depreciation methods, estimated useful lives and residual value

- Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:
  - Building 30 years
  - Building – Roof sheet – 20 years (Management estimate)
  - Plant and equipment 15 years
  - Furniture, Fixtures and Fittings 10 years
  - Office equipment 5 -10 years
  - Computers 3 years
  - Vehicles 8 years
  - Software 6 years
- Lease hold land is amortized over the period of Lease.

e) Borrowing costs

- 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.

f) Impairment of Non-financial Assets:

- On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.
- An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

g) Inventories

Items of inventories are valued lower of cost or estimated net realisable value as given below.

- Raw materials, Components, Stores and Spares: Raw materials, Components, Stores and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average
- 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.
- Finished Goods & Work in Progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost of direct material is determined on weighted average.
- 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.

h) Cash and cash equivalents

NATVARLAL VEPARI & CO. * Mumbai * CHARTERED ACCOUNTANTS *

- Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Foreign Currency Translation:

- Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.
- Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
- 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. The company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.
- Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

j) Provisions, Contingent Liabilities and Contingent Assets

- Provisions: The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.
- Contingent liabilities: Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.
- Contingent **Assets:** A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

k) Onerous contracts

- A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

l) 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:

  - In the principal market for the asset or liability, or
  - 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 economic best 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.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
  - Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
  - Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
  - 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 recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
- 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.

m) Financial instruments

i. Financial assets

- **Initial recognition and measurement**
  All financial assets are recognized 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.
  Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- **Subsequent measurement**
  For purposes of subsequent measurement financial assets are classified in two broad categories:
  - Financial assets at fair value
  - Financial assets at amortized cost

  Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

  A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

  Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

  Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

  Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

  Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary , joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

- **Derecognition of financial instruments**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:
- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables; and All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii. Financial liabilities

- **Initial recognition and measurement**

All financial liabilities are recognized 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, and derivative financial instruments.

- **Subsequent measurement**

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

- 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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated 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 amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

- **Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit and loss.

iii. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

iv. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement - The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

n) Revenue Recognition

The Company earns revenue primarily from sale of lead and lead alloys.

At contract inception, Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products or services to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products or services. The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products and rendering of certain services revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods or services. There is no significant financing components involved on contract with customers. Invoices are usually payable within the credit period as agreed with respective customers. Revenue from certain services are generated over a period of time, during which services are rendered based on contractual milestones. Revenue recognition takes place when a milestone is completed.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

- **Other Operating Income / Other Income :**
  - **i.** Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.
  - **ii.** Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
  - **iii.** Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

iv. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

o) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

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.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements Net interest expense or income and Long-term employee benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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

Compensated absences : which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits : Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

p) Taxes

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Tax expenses comprise Current Tax and Deferred Tax.:

i. **Current Tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. 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.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. **Deferred Tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the financial statement for financial reporting purposes at the reporting date.

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 utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized 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 realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

q) Leases

As a lessee

The Company's lease asset classes primarily consist of leases handling equipment's. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the

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use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

- Applied incremental borrowing rate to arrive at present value of lease payments.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IndAS116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%.

r) Earnings Per Share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holder.

t) Trade Payables & Trade Receivables.

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled

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as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

u) Cost of Issue of fresh Equity

Expenses in connection with issue of fresh capital is charged to Equity in accordance with Ind AS 32 read with Ind AS 1.

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3 Property, plant and equipment

Details of additions, adjustments, depreciation and net block - Asset class wise for 2020-21

(Rs. in lacs)

Particulars	Tangible assets									Intangible Assets
	Freehold Land	Land Under Lease	Buildings	Plant, Equipment & Machinery	Furniture, Fixtures & Fittings	Office Equipment's	Vehicles	Computers	Total	Computer Software
Cost										
As at April 1, 2019	1,403.91	5,922.28	1,794.15	4,099.11	56.40	33.20	38.08	33.81	13,380.94	8.18
Additions	-	372.42	0.39	16.65	7.29	0.48	6.11	16.65	419.99	0.30
Disposals	-	-	-	-	-	-	(4.40)	-	(4.40)	-
As at March 31, 2020	1,403.91	6,294.70	1,794.54	4,115.76	63.69	33.68	39.79	50.46	13,796.54	8.48
Additions	-	1,480.33	3,446.33	2,893.09	7.51	12.83	42.04	32.23	7,914.36	-
Disposals	-	-	(30.54)	(3.29)	(1.02)	(0.06)	(11.03)	(2.99)	(48.93)	-
As at March 31, 2021	**1,403.91**	**7,775.03**	**5,210.33**	**7,005.55**	**70.18**	**46.46**	**70.80**	**79.70**	**21,661.97**	**8.48**
Depreciation										
As at April 1, 2019	-	49.82	391.95	1,853.26	29.20	10.73	19.36	6.09	2,360.41	5.68
Charge for the year	-	60.60	91.73	349.57	5.80	5.37	3.78	10.93	527.78	0.41
Disposals	-	-	-	-	-	-	(4.18)	-	(4.18)	-
As at March 31, 2020	-	110.42	483.68	2,202.83	35.00	16.10	18.96	17.02	2,884.02	6.09
Charge for the year	-	62.41	82.96	351.88	5.85	5.33	5.96	14.08	528.47	0.21
Disposals	-	-	(13.26)	(2.75)	(0.88)	(0.06)	(10.47)	(2.86)	(30.28)	-
As at March 31, 2021	**-**	**172.83**	**553.38**	**2,551.96**	**39.97**	**21.37**	**14.45**	**28.24**	**3,382.21**	**6.30**
Net Block										
As at March 31, 2020	**1,403.91**	**6,184.28**	**1,310.86**	**1,912.93**	**28.69**	**17.58**	**20.83**	**33.44**	**10,912.52**	**2.39**
As at March 31, 2021	**1,403.91**	**7,602.20**	**4,656.95**	**4,453.59**	**30.21**	**25.08**	**56.35**	**51.46**	**18,279.76**	**2.18**

Particulars	Opening Balance	Addition during the year	Capitalized during the year	Closing balance
Capital WIP	4,434.41	12,259.41	7,914.36	8,779.46
(Previous year)	*(652.78)*	*(4,201.92)*	*(420.29)*	*(4,434.41)*

Capital WIP consists of

Particulars	Mar 31, 2021	March 31, 2020
Building	592.36	2,800.61
Plant and Machinery	8,024.70	1,633.80
Furniture & Fixtures	43.63	-
Computer	118.77	-
Motor Vehicle	-	
Total	**8,779.46**	**4,434.41**

The capitalized value of Haldia Project includes expenditure incurred during construction period amounting to Rs.300.53 lacs and allocated to Property, Plant and Equipment as under:

Particulars	Mar 31, 2021
Building	191.31
Plant and Machinery	109.22
Total	**300.53**

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i) The Company has carried out the exercise of assessment of any indication of impairment to its property plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment as at balance sheet date.

ii) There are no changes proposed to the previously assessed residual useful life of the assets.

Disclosure in accordance with Ind AS - 23 "Borrowing Cost", of the Companies (Indian Accounting Standards) Rules, 2015

	Particulars	**March 31, 2021**	**March 31, 2020**
a	The amount of borrowing costs capitalized during the period; and	72.13	80.11
b	The capitalization rate used to determine the amount of borrowing costs eligible for capitalization	7.75%	9.15%
c	Asset class in which the borrowing cost is capitalized in CWIP	Building & Plant & Machinery	Building & Plant & Machinery

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4 Right of Use **(Rs. In lacs)**

A Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 :

Particulars	ROU - Plant & Machinery
Gross Block	
As at April 1, 2019	
Additions	210.72
Sales/Disposals	-
As at March 31, 2020	210.72
Additions	-
Sales/Disposals	-
As at March 31, 2021	210.72
Depreciation	
As at April 1, 2019	
Charge for the year	33.82
On Sale/Disposals/adjustments	-
As at March 31, 2020	33.82
Charge for the year	33.73
On Sale/Disposals/adjustments	-
As at March 31, 2021	67.55
Net Block	
As at March 31, 2020	**176.90**
As at March 31, 2021	**143.17**

B The following is the break-up of current and non-current lease liabilities as at Mar 31, 2021

Particulars	March 31,2021	March 31,2020
Current lease liability	30.85	28.30
Non-current lease liability	121.10	151.95
As at March	**151.95**	**180.25**

C The following is the movement in lease liabilities during the year ended Mar 31, 2021

Particulars	March 31,2021	Mar 31,2020
Balance at the beginning	180.24	206.21
Addition	-	-
Interest on lease liabilities	16.22	18.56
Payment of lease liabilities	(44.52)	(44.52)
As at March	**151.94**	**180.25**

D The table below provides details regarding the contractual maturities of lease liabilities as at Balance sheet date on undiscounted basis :

Particulars	As at March 31, 2021	As at March 31, 2020
Upto one year	44.52	44.52
two to five years	144.69	189.21
More than five year	-	-
Total	**189.21**	**233.73**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Notes to financial statements for the year ended March 31, 2021

Particulars	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
FINANCIAL ASSETS		
5 Loans (at amortized cost)		
Security deposits		
- Unsecured, considered good	184.37	119.82
	184.37	**119.82**
6 Other non-current assets		
(i) Unsecured, considered good		
a) Prepaid expenses	47.37	7.93
b) Prepaid taxes (net of provisions)	69.54	73.91
c) Income tax refund receivable	74.53	61.89
d) Deposit against appeal	3.75	3.75
e) Other deposits	1.63	1.63
f) Capital advances	305.10	3,257.78
	501.92	**3,406.89**
7 Inventories		
(At lower of cost and net realizable value)		
a) Raw materials		
- In hand	8,645.87	8,620.97
- In transit	451.30	293.58
b) Work-in-progress	4,615.41	2,566.57
c) Finished goods	3,130.41	2,110.88
d) Chemicals & fluxes	93.40	56.52
e) Stores and spares and fuels	290.52	146.23
	17,226.91	**13,794.75**

The disclosure of inventories recognized as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Particulars	March 31, 2021	March 31, 2020
(i) Amount of inventories recognized as an expense during the period.	174,717.77	190,911.99
(ii) Amount of write - back of inventories recognized as reduction in consumption during the period.	(10.26)	-
(iii) Amount of write - down of inventories recognized as an expense during the period.	-	59.50
	174,707.51	**190,971.49**

Particulars	March 31, 2021	March 31, 2020
8 Trade receivables (unsecured, at amortized cost)		
Trade receivable - Considered good	10,020.66	2,148.90
Trade receivable - Credit impaired	62.03	62.03
[refer note no. 41 (b)(ii)]		
	10,082.69	2,210.93
Less : Provision for life time credit loss [refer note no. 41 (b)(ii)]	62.03	62.03
	10,020.66	**2,148.90**
9 Cash and bank balances		
Cash and cash equivalents		
a) Balances with banks	29.07	846.72
b) Cheques on hand	4.43	0.94
c) Cash on hand	1.82	2.57
	35.32	**850.23**
10 Other current financial assets		
(i) Unsecured, considered good		
a) Other receivables	846.78	602.11
	846.78	**602.11**

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		March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
11	**Other current assets**		
	(i) Unsecured, considered good		
a)	Prepaid expenses	71.49	47.38
b)	Balances with tax authorities	1,956.71	506.66
c)	Advance to suppliers	35.91	92.69
d)	Loans and advance to staff	3.47	5.71
e)	Other current assets	85.38	50.29
	(ii) Unsecured, considered doubtful		
a)	Advance to suppliers	361.90	361.90
		2,514.86	1,064.63
	Less : Allowances for doubtful advances	361.90	361.90
		2,152.96	**702.73**

		March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
12	**Share Capital**		
a)	**Authorized**		
	5,25,00,000 (P.Y. 4,75,00,000) equity shares of Rs. 10 each	5,250.00	4,750.00
b)	**Issued, subscribed & fully paid-up**		
	5,08,80,952 (P.Y. 4,73,80,952) equity shares of Rs. 10 each	5,088.10	4,738.10

c) The Company is a wholly owned subsidiary of Exide Industries Limited, a company listed on the stock exchanges at BSE, NSE and CSE.

d) **Details of shareholding in excess of 5%**

Particulars	**Number of shares held**	**Number of shares held**
Exide Industries Limited - Holding Company	50,880,952	47,380,952
% of Holding	100%	100%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) **Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	Number	**(Rs. In Lacs)**	**Number**	**(Rs. In Lacs)**
At the beginning of the year	47,380,952	4,738.10	47,380,952	4,738.10
Issued during the period	3,500,000	350.00	-	-
Outstanding at the end of the year	**50,880,952**	**5,088.10**	**47,380,952**	**4,738.10**

f) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

13	**Other equity**		
a)	**Securities premium**	6,261.50	3,115.25
b)	**General reserve**	1,610.00	1,610.00
c)	**Retained earnings**	4,991.77	4,368.61
		12,863.27	**9,093.86**

	Non-current liabilities		
14	**Long Term Borrowings**		
	Secured		
	Term Loan from banks	4,353.17	-
	Less : Current maturities	-	-
		4,353.17	-
		4,353.17	-

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a) **The above term loan is secured by :**

i. Exclusive charge (security interest) on the entire assets, movable (excluding current assets) of Haldia Unit

ii. Exclusive charge (security interest) on the entire assets, immovables of Haldia Unit

b) **Repayment and interest rate :**

The loan is repayable in 12 quarterly installments after moratorium period of 2 years from the date of first disbursement. The amount of repayment is determined as a percentage of original loan amount ranging from 8.32% to 8.34% of the loan in respect of each instalment. The interest rate is to be reset at 12 months intervals. Interest rate is calculated at 12 month MCLR (presently at 7.75% p.a.) payable at monthly intervals.

The repayment schedule would be as under. Repayment to start from beginning of quarter i.e last day of the moratorium period.

Quarter - Year	Quarterly Installment
October 22 - Q1	363.05
January 23 - Q2	363.05
April 23 - Q3	363.05
July 23 - Q4	363.05
October 23 - Q5	363.05
January 24 - Q6	363.05
April 24 - Q7	363.05
July 24 - Q8	363.05
October 24 - Q9	362.19
January 25 - Q10	362.19
April 25 - Q11	362.19
July 25 - Q12	362.20
Total	**4,353.17**

c) **Terms of repayment of secured loans**

Particulars	March 31, 2021	March 31, 2020
Repayment within one year from the end of the financial year	-	-
Repayment beyond one year to five years from the end of the financial year	4,353.22	-
Repayment beyond five years from the end of the financial year	-	-
	4,353.22	**-**

d) **Reconciliation of cash flows from financing activities as per Ind AS 7 : -**

Particulars	Lease liability	Interest	Long term borrowings	Short term borrowings
Balance as on April 1, 2019	-	-	-	4,385.67
Addition during the year	578.62	-	-	-
Interest accrued	52.08	80.11	-	-
Changes from financing cash flows	(59.81)	(80.11)	-	(4,385.67)
Non cash changes (amortization of borrowing cost)	-	-	-	-
Other changes	-	-	-	-
Closing balance as on March 31, 2020	**570.89**	**-**	**-**	**0.00**
Interest accrued	51.38	234.39	-	-
Changes from financing cash flows	(60.57)	(234.39)	4,353.17	1,256.81
Non cash changes (amortization of borrowing cost)	-	-	-	-
Other changes	-	-	-	-
Closing balance as on March 31, 2021	**561.70**	**-**	**4,353.17**	**1,256.81**

15 **Particulars**	**March 31, 2021 (Rs. In Lacs)**	**March 31, 2020 (Rs. In Lacs)**
Non Current trade payables		
a) Non Current Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	118.84	-
	118.84	**-**

Details of dues to micro and small enterprises as defined under MSMED Act, 2006	**March 31, 2021 (Rs. In Lacs)**	**March 31, 2020 (Rs. In Lacs)**
Principal amount due	-	-
Interest due on above	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprises	-	-
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	-	-

The Company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

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	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
16 Lease liability		
Lease liability of land - Non current	372.88	355.49
	372.88	**355.49**
17 Provisions		
a) Provision for employee benefits		
Gratuity (refer note 36)	152.92	142.32
Leave Benefits	55.58	39.30
	208.50	**181.62**
18 Deferred tax liabilities (net)		
a) Deferred tax liability:		
Arising out of temporary difference in depreciable assets	471.55	411.56
b) Deferred tax assets:		
Provision for expected credit loss	(15.61)	(7.32)
Lease liabilities	(2.97)	(1.79)
Tax disallowances	(55.91)	(47.64)
Net deferred tax liability	**397.06**	**354.81**
Current liabilities		
19 Short Term Borrowings		
Secured		
WCDL Loan from banks	1,256.81	-
Secured by first pari passu charge on entire stocks and book debts of the Company (both present and future)		
	1,256.81	**-**

The bank reserves the right to alter the interest rate or spread or the interest reset date upon occurrence of conditions mentioned in the sanction letter.

Particulars	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
20 Current trade payables		
a) Trade payables		
Total outstanding dues of micro and small enterprises	15,197.30	5,991.28
Total outstanding dues of creditors other than micro and small enterprises	16,967.12	15,242.93
	32,164.42	**21,234.21**

Details of dues to micro and small enterprises as defined under MSMED Act, 2006	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
Principal amount due	15,197.30	5,991.28
Interest due on above	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprises 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	-	-

The Company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

	March 31, 2021	March 31, 2020
21 Lease liability		
Lease liability of land - Current	36.88	35.16
	36.88	**35.16**

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	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
22 Other financial liabilities		
Security deposits received	36.50	151.73
Capital Creditors	694.91	238.19
Other payables	158.06	108.94
	889.47	**498.86**
23 Current tax liability		
Current tax liability (net of taxes paid)	21.12	-
	21.12	**-**
24 Other current liabilities		
Advance from customers	2.09	2.25
Duties, taxes and other statutory dues payable	198.58	432.68
	200.67	**434.93**
25 Provisions		
Provision for employee benefits		
Gratuity (refer note 36)	6.68	4.61
Leave Benefits	2.09	1.43
Others		
Provision for tax (net of prepaid)	36.69	36.69
Provision for sales return	4.89	1.64
	50.35	**44.37**

(Rs. In Lacs)

Particulars	Opening Balance	Additions during the year	Amt. Paid/ Reversed during the year	Closing Balance
Provision for sales return	1.64	4.89	1.64	4.89
(Previous year)	(3.20)	(1.64)	(3.20)	(1.64)

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	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
26 Revenue from operations		
Revenue from operations		
Sale of products	182,331.57	198,795.43
Job work charges	1,972.93	2,180.41
Other operating revenue		
Sale of scrap	1,156.03	1,192.33
Export Incentive	8.17	50.66
	185,468.70	**202,218.83**

Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

1 **Revenue disaggregation based on :**

	March 31, 2021	March 31, 2020
(a) Category of good and services		
Lead Alloy	182,331.57	198,795.43
Jobwork and Other Services	1,972.93	2,180.41
	184,304.50	**200,975.83**
(b) Geographical region		
India	183,836.13	198,728.39
International	468.36	2,247.44
	184,304.49	**200,975.83**

2 **Major customers. - Holding Company**

3 Company has not recognized any contract asset or liability. Company has recognized revenue based on point of time and its receivables are rights to consideration that are unconditional.

27 Other income		
Interest income	7.45	6.52
Interest accounted on EIR basis	3.05	0.75
Other Income - Profit on Sale of Assets	1.45	0.40
Foreign exchange gain (net of loss)	207.53	-
Covid rebate on Lease payment *	3.71	-
Insurance claim received	3.63	0.31
	226.82	**7.98**

* During the year the Company received a months rebate on lease payment which has been classified as Covid rebate on lease payment. The company has opted for the practical expedient to Ind AS 116 for this one time covid related benefit.

28 Cost of raw material and components consumed		
Inventory at the beginning of the year	8,914.55	8,881.72
Add : Purchases	176,039.68	186,476.17
	184,954.23	195,357.89
Less : Inventory at the end of the year	9,097.17	8,914.55
	175,857.06	**186,443.34**

The inventory cost of raw material during the year includes write down of Rs. NIL lacs (P.Y. Rs. 15.39 lacs).

29 (Increase) / decrease in inventories of finished goods and work-in - progress		
WIP Inventory at the beginning of the year	2,566.57	6,365.14
WIP Inventory at the end of the year	(4,615.41)	(2,566.57)
FG Inventory at the beginning of the year	2,110.88	596.77
FG Inventory at the end of the year	(3,130.41)	(2,110.88)
	(3,068.37)	**2,284.46**

The inventory cost of finished goods during the year includes write down of Rs. NIL lacs (P.Y. Rs. 44.11 lacs).

30 Employee benefits expense		
Salaries, wages and bonus	2,386.37	2,431.98
Contribution to provident and other funds	70.23	79.80
Staff welfare expenses	123.95	200.81
	2,580.55	**2,712.59**

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	March 31, 2021 (Rs. In Lacs)	March 31, 2020 (Rs. In Lacs)
31 **Finance costs**		
Interest on Financial liabilities	197.41	33.52
Interest on direct taxes	12.21	0.00
Interest on indirect taxes	4.40	-
Interest on lease liability (refer note 4C)	16.22	18.56
Interest on others	-	0.35
	230.25	**52.43**
32 **Depreciation and amortization expense**		
Depreciation	528.47	527.78
Amortization of intangible asset	0.21	0.41
Depreciation on ROU - vehicle (refer note 4A)	33.73	33.82
	562.41	**562.01**
33 **Other expenses**		
Consumption of Stores and Spares	554.51	669.71
Consumption of Chemical and Fluxes	1,364.31	1,573.98
Consumption of Power and fuel	2,882.53	3,479.29
Hire charges	211.72	218.59
Watch & ward expenses	124.67	123.59
Waste management expenses	500.02	448.71
Remuneration to Auditors		
- Audit fees	15.00	15.00
- Tax audit including transfer pricing	2.75	2.75
- Other services	0.03	-
- Out of pocket expenses	0.39	1.24
Bank charges	114.84	57.27
Fixed asset scrapped	16.28	-
Foreign exchange loss (net of gain)	-	174.22
Provision for lifetime expected credit loss	-	29.07
Freight outward	1,371.63	1,429.63
Repairs and maintenance		
- Machinery	142.48	258.37
- Building	37.99	17.53
- Others	57.09	63.96
Rent	12.93	13.84
Rates and taxes	16.74	25.59
CSR Expenses	40.34	54.26
Insurance	43.97	42.50
Communication	13.40	14.33
Conveyance	8.47	24.01
Printing and stationery	7.27	8.31
Professional and consultancy charges	48.18	73.65
Vehicle maintenance	47.51	30.29
Miscellaneous expenses	16.11	11.51
Total	**7,651.16**	**8,861.20**
Break-up of miscellaneous expenses		
Guest house maintenance	2.28	2.46
Membership and subscriptions	0.50	2.15
General expenses	3.28	6.90
Covid related expenses	10.05	-
	16.11	**11.51**

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a) **Disclosure on CSR Activity**

(a) Gross amount required to be spent by the Company during the year: Rs. 40.34 lacs (P.Y. Rs. 54.26 lacs)

(b) Amount spent by the Company during the year is as follows :

Particulars	**Paid in cash/bank**	**Yet to be paid in cash/bank**	**Total**
	2020-21 (Rs. in lacs)		
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation	9.02	-	9.02
Setting up public libraries	5.00	-	5.00
Promoting Education	0.32		0.32
Rural development project	26.00		26.00
Total	**40.34**	-	**40.34**

Particulars	**Paid in cash/bank**	**Yet to be paid in cash/bank**	**Total**
	2019-20 (Rs. in lacs)		
Promoting Education	41.90	-	41.90
Employee volunteering activity	0.36		0.36
Making available safe drinking Water	12.00	-	12.00
	54.26	-	**54.26**

34 **Tax expenses**

Reconciliation of statutory rate of tax and effective rate of tax	**2020-21 (Rs. in lacs)**	**2019-20 (Rs. in lacs)**
Current taxes	450.00	416.00
Short/ (excess) provision of income tax	(11.34)	-
Deferred tax income	42.25	(188.81)
	480.91	**227.19**
Current taxes		
Accounting profit before income tax	1,882.46	1,310.78
At India's statutory income tax rate	25.17%	25.17%
Tax on long term capital gain	23.30%	23.30%
Tax on profit	473.78	329.90
Effect of non deductible expense	183.52	186.24
Effect of deductible expenses and set off of losses	(211.08)	(100.13)
Others	3.79	-
	450.00	**416.00**
Short / excess provision of earlier years	(11.34)	-

Deferred tax assets/(liabilities) in relation to:-

Particulars	**Opening**	**Recognized in profit and loss**	**Recognized in Other Comprehensive Income**	**Closing**
Property, Plant and Equipment	(596.69)	185.13	-	(411.56)
Employee benefits	45.26	(9.19)	-	36.07
Expected credit loss	3.84	3.48	-	7.32
Remeasurement gain/(loss) on defined benefit plans	3.96	-	7.61	11.57
Lease rent	0.00	1.79	-	1.79
As at March 31, 2020	**(543.63)**	**181.20**	**7.61**	**(354.81)**
Property, Plant and Equipment	(411.56)	(59.99)	-	(471.55)
Employee benefits	36.07	10.12	-	46.19
Expected credit loss	7.32	8.29	-	15.61
Remeasurement gain/(loss) on defined benefit plans	11.57	-	(1.84)	9.72
Lease rent	1.79	1.18	-	2.97
As at March 31, 2021	**(354.81)**	**(40.40)**	**(1.84)**	**(397.06)**

Deferred tax recognized in P & L during the current year includes Rs. NIL (P. Y. includes Rs. 116.81 lacs) due to tax rate changes.

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35 **Earnings per share**

The Company has not issued any potential diluted equity shares and therefore the basic and diluted earnings per share will be the same. The earnings per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding.

Particulars	2020-21	2019-20
Profit after tax (Rs. in lacs)	1,403.40	1,075.98
Total number of equity shares outstanding (Nos.)	50,880,952	47,380,952
Weighted average no. of shares outstanding (Nos.)	50,343,966	47,380,952
Nominal value of equity share (Rs.)	10.00	10.00
Earnings per share (Rs.)	2.79	2.27

Reconciliation of weighted average no. of shares outstanding during the year

Particulars	2020-21	2019-20
Nominal value of equity share (Rs.)	10	10
For Basic & Dilutive EPS		
Total number of equity shares outstanding at the beginning of the year	47,380,952	47,380,952
Add: Issue of shares on May 27th, 2020	3,500,000	-
Weighted average number of equity shares Issued	2,963,014	-
Total number of equity shares outstanding at the end of year	50,880,952	47,380,952
Weighted average number of equity shares at the end of the year	50,343,966	47,380,952

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36 **Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits. The total amount of gratuity determined on actuarial method is Rs. 159.59 lacs (P.Y. Rs. 146.92 lacs).

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet.

Particulars	As at March 31, 2021 (Rs. in lacs)	As at March 31, 2020 (Rs. in lacs)
Expense recognized in Statement of Profit and Loss		
Current service cost	17.13	12.82
Past service cost	-	-
Service cost	**17.13**	**12.82**
Net interest on net defined benefit liability / asset	9.62	7.65
Total	**26.75**	**20.47**
Expense recognized in Other Comprehensive Income		
Actuarial gains / (losses)	7.32	(30.23)
Net asset / liability recognized in Balance Sheet		
Present value of defined benefit obligation	159.59	146.92
Fair value of plan assets	-	-
	159.59	**146.92**
Change in obligation during the year		
Present value of defined benefit obligation at the beginning of the year	146.92	107.89
Current service cost	17.13	12.82
Interest cost	9.62	7.65
Benefits paid	(6.76)	(11.67)
Actuarial (gains) / losses	(7.32)	30.23
Present value of defined benefit obligation at the end of the year	**159.59**	**146.92**
The principal assumptions used in determining the gratuity obligations are as follows :		
Financial assumptions		
Discount rate	6.80%	6.70%
Salary escalation rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	2%	2%
Mortality rate	Ind Assured Lives Mortality (2006-08) (modified) Ult	Ind Assured Lives Mortality (2006-08) (modified) Ult

Sensitivity analysis

Discount rate	2020-21	2019-20	2018-19	2017-18	2016-17
1% increase in discount rate	(14.12)	(9.00)	(9.78)	(8.32)	(7.31)
1% decrease in discount rate	16.44	11.00	11.39	10.14	8.62

Salary escalation	2020-21	2019-20	2018-19	2017-18	2016-17
1% increase in discount rate	16.44	11.00	11.57	10.29	8.71
1% decrease in discount rate	(14.12)	(9.00)	(10.09)	(8.59)	(7.50)

Risk Factors / Assumptions

Interest risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bonds yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk : Higher then expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality withdrawal , disability of retirement. The effect of theses decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. it is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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37 **Disclosure in accordance with In AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.**

a) The entire operations of the Company relate to only one segment viz. Lead Smelters and Refiners. As such, there is no separate reportable segment under In AS - 108 on Operating Segments.

b) Revenue contributed by single customer is Rs. 1,80,096 lacs (P.Y. Rs. 1,95,064 Lacs) which is approximately 97% (P.Y. 96%) of total revenue of the Company.

38 **Disclosure in accordance with In AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

I **Relationships:**

A. Entities where control exists

Holding Company

Exide Industries Limited

B. Fellow Subsidiary

Associated Battery Manufacturers (Ceylon) Limited

C. Key Management Personnel

Gautam Chatterjee	Director
Subir Chakraborty	Director
Asish Kumar Mukherjee	Director
Arun Mittal	Director
Nupur Roy Choudhury	Director

II **Transactions**

Particulars	**2020-21 (Rs. in lacs)**	**2019-20 (Rs. in lacs)**
Purchase of goods	39,395.06	39,873.04
GST	7,142.78	7,197.98
Exide Industries Limited	46,537.84	47,071.02
Sales of goods	177,752.52	192,077.42
GST collected	33,493.21	38,471.33
TCS collected	100.25	-
Freight recovered	354.82	804.04
Exide Industries Limited	211,700.80	231,352.79
Job work charges received	1,988.27	2,182.04
GST	357.89	392.77
Exide Industries Limited	2,346.16	2,574.81
Sales of goods	468.36	2,247.44
Freight recovered	-	-
Associated Battery Manufacturers (Ceylon) Limited	468.36	2,247.44
Dividend paid	785.71	947.62
Exide Industries Limited	785.71	947.62
Equity financing	3,500.00	-
Exide Industries Limited	3,500.00	-

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Particulars	2020-21 (Rs. in lacs)	2019-20 (Rs. in lacs)
Reimbursement of expenses	41.90	37.11
Exide Industries Limited	41.90	37.11
Balances as on March 31		
Net Receivable		
Exide Industries Limited	8,951.14	-
Associated Battery Manufacturers (Ceylon) Limited	134.08	631.81
Net Payable		
Exide Industries Limited	-	158.89

The Company's related party transactions during the year ended March 31, 2021 and March 31, 2020 and outstanding balances as at March 31, 2021 and March 31, 2020 are with its Holding Company with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

39 Contingent liabilities and commitments

Particulars	2020-21 (Rs. in lacs)	2019-20 (Rs. in lacs)
Contingent liabilities		
(a) Bank guarantees given on behalf of Company	490.03	493.03
(b) Disputed tax dues for which the company is contingently liable		
Direct Taxes	0.88	3.87
Indirect taxes	61.86	61.86

Particulars	2020-21 (Rs. in lacs)	2019-20 (Rs. in lacs)
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	1,488.12	6,391.36
(b) Purchase orders backed by LC opened by bankers.	10,034.08	5,651.34
Total		

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, created and discharged liability on a prospective basis without considering any probable obligations for past periods. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

40 Financial instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2021, March 31, 2020 is as follows:

		Carrying Value		Fair Value	
		March 31, 2021 (Rs. in lacs)	**March 31, 2020 (Rs. in lacs)**	**March 31, 2021 (Rs. in lacs)**	**March 31, 2020 (Rs. in lacs)**
a)	**Financial assets**				
	At Amortized Cost				
	Trade receivables	10,020.66	2,148.90	10,020.66	2,148.90
	Others	1,031.15	721.94	1,031.15	721.94
	Cash and cash equivalents	35.32	850.23	35.32	850.23
	Total Financial Assets	**11,087.14**	**3,721.07**	**11,087.14**	**3,721.07**
b)	**Financial liabilities**				
	At Amortized Cost				
	Borrowings	5,609.98	-	5,609.98	-
	Trade payables	32,283.26	21,234.21	32,283.26	21,234.21
	Others	1,451.17	1,069.76	1,451.17	1,069.76
	Total Financial Liabilities	**39,344.40**	**22,303.97**	**39,344.40**	**22,303.96**

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

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41 **Financial risk management objectives and policies**

The Company's financial liabilities comprise short-term borrowings, capital creditors and trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and investment.

Financial risk factors

i) **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 two types of risk: currency risk and commodity price risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) **Exchange 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. However the Company operates only in the domestic market catering mainly to its holding company's lead alloy requirements for their storage battery manufacture. The Company's risk exposure to foreign exchange is limited to its sourcing the Raw Material internationally and selling the lead alloys to its fellow subsidiary. Such foreign currency exposures are not hedged by the Company.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in 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.

Particulars	Change in Rate	Foreign Currency Payable (Net)	Effect on Profit before tax
	%	(Rs. in lacs)	(Rs. in lacs)
31-Mar-21	5%	1,427.28	-71.36
	-5%		71.36
31-Mar-20	5%	3,236.29	-161.81
	-5%		161.81

Foreign exchange transactions

Un-hedged foreign currency exposure

Particulars	Currency	31-Mar-21	31-Mar-20
Trade Receivables	USD	186,890	895,637
Trade Payable	USD	2,044,301	5,081,375

b) **Commodity Price Risk**

The primary market risk to the Company is commodity price risk. However the Company primarily supplies to the holding company and its pricing mechanism for its products are linked to the LME prices of Lead that is the main raw material for the Company. The Company has not had any significant losses on account of price change risks arising out of changes in the price of Lead. The Company's main customer, being its holding company, is however subject to commodity price changes but the Company's arrangement does not affect the transfer price between the Company and the holding company. Determining the sensitivity to the commodity price changes would not reflect the correct analysis as the Company is in a position to translate most of the price changes in its selling price determination with the holding company. Hence the sensitivity to the commodity price changes is not disclosed.

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ii) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 8931.41 lacs (PY Rs.1596.58 lacs), which is majorly from the holding company. The credit period agreed from the holding company is 30 days and there have been no significant delays by the holding company in honoring the contractual terms.

Since the primary customer is the holding company the credit risk is remote. In the absence of any bad debts from the holding company in the past the expected credit loss is zero and the Company is making no provisions on account any expected credit loss. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management.

Table showing age of gross trade receivables and movement in impairment provision :

Age of Receivables	**March 31, 2021**	**March 31, 2020**
	(Rs. in lacs)	**(Rs. in lacs)**
Holding Company		
Within the credit period	8,931.41	1,596.58
More than 180 days due	-	-
Others		
Within the credit period	1,089.25	536.54
Overdue amount	62.03	62.03

Movement in the expected credit loss allowance	**March 31, 2021**	**March 31, 2020**
Particulars	**Current (Rs. in lacs)**	**Current (Rs. in lacs)**
Balance at the beginning of the period	62.03	62.03
Reversal of earlier expected credit loss and recognition of bad debts	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Provision at the end of the period	**62.03**	**62.03**

iii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

Cash flow from operating activities provides the funds to service the financial liabilities and investing activities for plant set up. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans.

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 variety of sources of funding.

The working capital position of the company is given below:

Particulars	**March 31, 2021**	**March 31, 2020**
Cash and cash equivalent	6.25	3.51
Bank balance	29.07	846.72
Current financial assets	846.78	602.11
Inventory	17,226.91	13,794.75
Trade receivables	10,020.66	2,148.90
Other Current assets	2,152.96	702.73
Total	**30,282.64**	**18,098.72**
Less:		
Short term borrowings	1,256.81	-
Current financial liabilities	889.47	498.86
Lease Liability ROU assets	30.85	28.30
Land Under Lease	36.88	35.16
Provisions	50.35	44.37
Current tax liability	21.12	-
Other current liabilities	200.67	434.93
Trade payables	32,164.42	21,234.21
Total	**34,650.55**	**22,275.83**
Total	**(4,367.91)**	**(4,177.11)**

The table below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

As at March 31, 2021				
Borrowings	1,256.81	4,353.22	-	5,610.03
Other financial liabilities	889.47	-	-	889.47
Land under Lease	36.88	97.77	275.11	409.76
Lease Liability ROU assets	30.85	121.10	-	151.94
Trade payables	32,164.42	118.84	-	32,283.26
Total	**34,378.41**	**4,690.93**	**275.11**	**39,344.45**
As at March 31, 2020				
Borrowings	-	-	-	-
Other financial liabilities	498.86	-	-	498.86
Land under Lease	35.16	88.69	266.80	390.65
Lease Liability ROU assets	28.30	151.95	-	180.25
Trade payables	21,234.21	-	-	21,234.21
Total	**21,796.53**	**240.64**	**266.80**	**22,303.97**

iv) **Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. Interest rate is to be reset at 12 months interval.

Particulars	**March 31, 2021**	**March 31, 2020**
Secured loans	5,609.98	-

Sensitivity analysis based on average outstanding Senior Debt

Particulars	**Impact on Profit / loss after tax**	
	March 31, 2021	**March 31, 2020**
Increase or decrease in interest rate by 100 basis points	56.10	-

42 The spread of Covid-19 has severely impacted business around the globe. In many countries including India, there had been severe disruption to regular business operations in the first quarter of the financial year due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The management has successfully restarted operations and achieved comparable production and sales turnover. Around march end of the current year once again Covid concerns have arisen but the company has put in place significant safeguards for the safety of the employees and the workers from resurgence of covid. Lockdown by local authorities is however a possibility and the Company will deal with the same with better experience as compared to the previous year. The Management is confident of obtaining regular supply of raw materials and logistics services. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

43 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2021.

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

As per our report of even date
For Natvarlal Vepari and Co.
ICAI Firm Registration No. : 106971W
Chartered Accountants

NATVARLAL VEPARI & CO
Mumbai
CHARTERED ACCOUNTANTS

N Jayendran
Partner
M. No. 40441

Sd/-
D J Banerjee
CEO

Place : Mumbai
Date : April 14, 2021

For and,on behalf of the Board of Directors

Sd/-
A. K. ~~Mukherjee~~
~~DIN 000131626~~
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary
ACS NO. 23758

Place : Kolkata
Date : April 14, 2021