CHLORIDE METALS LIMITED

Balance Sheet
And
Auditors' Report
2022-23

Auditors:

NATVARLAL VEPARI & CO.

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
Chloride Metals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the attached financial statements of Chloride Metals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the information included in the Board's Report but does not include

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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.

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 Ind AS 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.

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

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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.

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.

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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 Other Comprehensive Income), 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 Ind AS specified under Section 133 of the Act.
    e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
    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, the remuneration paid by the Company to its directors during the year

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is in accordance with the provisions of section 197 of the Act.

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 40 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 Fund by the Company.

iv. a. The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

c. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

v. The Company has not declared and paid any dividend during the year until the date of this report, hence compliance with provisions of section 123 of the Companies Act, 2013 is not required.

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vi. The proviso to Rule 3(1) of The Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
Membership No. 40441
Athal, Dated: April 28, 2023
UDIN: 23040441BGYGGK6815

Natvarlal Vepari & Co.

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Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our report to the Members of Chloride Metals Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) a. (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right of use assets.

(B) The company has generally maintained proper records showing full particulars of intangible assets.

b. Property, Plant and Equipment and Right of Use assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c. We have verified the title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the Financial Statements included in Property, Plant and Equipment and based on such verification we confirm that the same are held in the name of the company.

d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 as amended and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancies wherever noted have been properly dealt with in the books of account of the Company.

(b The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.-

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(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence Clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

(iv) 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.

(v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits 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 made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, duty of Customs, Cess and other statutory dues to the appropriate authorities during the year. 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, 2023 for a period of more than six months from the date they became payable except for liability of provident fund amounting to Rs. 0.00 Cr*. The same is not paid due to KYC issues on EPFO portal.

(* Rs. 89.400)

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except as given below:

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Name of statute	Nature of dues	Amount (In Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Tax on PF disallowances	0.01	AY 2017-18	CIT (A)
Income Tax	Tax	0.01	AY 2021-22	CIT (A)
Service Tax	Tax, Interest and Penalty	0.10	FY 2017-18	Additional Commissioner (Appeals-I) Central Tax
Customs	Short Collection of duty	0.06	FY 2011-12	Deputy Commissioner of Customs
Customs	Short Collection of duty	0.06	FY 2011-12	Deputy Commissioner of Customs
Customs	Short Collection of duty	0.28	FY 2020-21	Joint Commissioner of Customs
GST	Interest	0.50	FY 2021-22	Joint Commissioner (Appeal)
	Total	**1.02**		

(viii) There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(c) The company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) No funds raised on short-term basis have been used for long-term purposes by the company.

(e) The Company does not have any subsidiaries, joint ventures or associates and hence clause 3(ix)(e) & 3(ix)(f) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

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(x) (a) The company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year under review.

(xi) (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(c) No whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xiii) Provisions of Section 177 are not applicable to the Company. All transactions with the related parties are in compliance with 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of 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) (a) The company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till the date of this report, in determining the nature, timing and extent of our audit procedures.

(xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence clause 3(xv) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company

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is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934 and hence sub-clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c). of the Companies (Auditors Report) Order, 2020 are not applicable to the company. Further as required by clause 3(xvi)(d), we are informed that there are no CICs in the group.

(xvii) On an examination of the Statement of Profit and Loss account, we are of the opinion that the Company has not incurred cash losses during the financial year and the immediate previous financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3)(xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and representations and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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(b) There are no ongoing projects therefore clause 3(xx)(b) is not applicable to the Company.

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

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

N Jayendran
Partner
Membership No. 40441
Athal, Dated: April 28, 2023
UDIN: 23040441BGYGGK6815

Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report to the Members of Chloride Metals Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause Section 143(3)(i) 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, 2023 in conjunction with our audit of the Financial Statement 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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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.

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, 2023, based

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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. * CHARTERED ACCOUNTANTS * Mumbai

N Jayendran
Partner
Membership No. 40441
Athal, Dated: April 28, 2023
UDIN: 23040441BGYGGK6815

CHLORIDE METALS LIMITED

CIN U34300WB1998PLC181003

Balance Sheet as on March 31, 2023

Particulars	Note No.	As at March 31, 2023 (Rs. In Crore)	As at March 31, 2022 (Rs. In Crore)
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	304.72	319.49
(b) Capital work-in-progress	3	132.89	6.42
(c) Other Intangible Assets	3	0.10	0.12
(d) Financial assets			
(i) Other non-current Financial Assets	4	3.18	2.76
(e) Other non-current assets	5	23.46	17.74
		464.35	346.53
(2) Current assets			
(a) Inventories	6	248.61	266.16
(b) Financial assets			
(i) Trade receivables	7	67.56	74.97
(ii) Cash and cash equivalents	8	6.09	1.54
(iii) Others	9	6.55	6.56
(c) Other current assets	10	51.28	44.52
		380.09	393.75
Total Assets		**844.44**	**740.28**
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	11	59.64	52.51
(b) Other equity	12	189.79	144.15
		249.43	196.66
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long Term Borrowings	13	84.27	50.62
(ii) Lease liabilities	14	30.60	29.75
(iii) Trade payables			
Total outstanding dues of micro and small enterprises		-	
Total outstanding dues of creditors other than micro and small enterprises		-	-
(iv) Other financial liabilities	15	6.42	0.14
(b) Provisions	16	2.61	2.45
(c) Deferred tax liabilities (net)	17	6.07	7.40
		129.97	90.36
(2) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	18	27.68	62.96
(ii) Lease liabilities	19	1.50	1.40
(iii) Trade payables			
Total outstanding dues of micro and small enterprises	20	168.23	95.58
Total outstanding dues of creditors other than micro and small enterprises	20	247.08	271.47
(iv) Other financial liabilities	21	15.80	13.04
(b) Other current liabilities	22	3.99	8.17
(c) Provisions	23	0.76	0.64
		465.04	453.26
Total Equity and Liablitles		**844.44**	**740.28**

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 : Alibag
Date : 28/4/23

For and on behalf of the Board of Directors

A. K. Mukherjee
DIN 00131626
Director

K Aniruddha
DIN 0009669035
Managing Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary
ACS No. 23758

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Note No.	2022-23 (Rs. In Crore)	2021-22 (Rs. In Crore)
I) INCOME			
Revenue from operations (gross)	24	3,918.77	2,906.80
Other income	25	1.74	0.08
Total Income (I)		**3,920.51**	**2,906.88**
II) EXPENSES			
Cost of raw materials and components consumed	26	3,573.90	2,753.80
(Increase) / decrease in inventories of finished goods and work-in - progress	27	24.85	(63.39)
Employee benefits expense	28	49.68	36.01
Finance costs	29	28.49	12.39
Depreciation & amortization expense	30	22.82	11.61
Other expenses	31	226.35	137.34
Total expenses (II)		**3,926.09**	**2,887.76**
Profit / (Loss) before tax (I-II)		**(5.58)**	**19.12**
Tax expense		**(1.32)**	**4.35**
1. Current tax		-	0.90
2. Short/ (excess) provision of income tax		-	-
3. Deferred tax liability / (asset)		(1.32)	3.45
Profit / (Loss) for the year from continuing operations		**(4.26)**	**14.77**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability) / asset		0.03	(0.09)
Tax effect thereon		(0.01)	0.02
Total other comprehensive income, net of tax		**0.02**	**(0.07)**
Total comprehensive income for the year		**(4.24)**	**14.70**
Earnings per equity share			
Equity shares of par value Rs.10/- each			
Basic and diluted (Rupees)	-	**(0.77)**	**2.84**

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

N. Jayendran
Partner
M.No. 40441

Place : Alld
Date : 28/4/23

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

A. K. Mukherjee
DIN 00131626
Director

K Aniruddha
DIN 0009669035
Managing Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary
ACS No. 23758

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Cash Flows for the year ended March 31, 2023

	2022-23 (Rs. In Crore)	2021-22 (Rs. In Crore)
Cash flow from operating activities:		
Profit / (Loss) for the year	(5.59)	19.31
Add : Adjustments		-
Depreciation and amortization expense	22.82	11.63
Interest and borrowing costs	3.01	11.17
Interest on lease liability	2.12	1.13
Interest received	(0.03)	(0.03)
Interest accounted on EIR basis	(0.05)	(0.04)
Asset scrapped	0.06	0.16
Loss of asset by fire	0.05	-
Profit on sale of plant, property and equipment	(0.03)	(0.00)
Exchange (gain) / loss	(0.03)	0.10
Sundry balances written back	0.13	-
Provision for expected credit loss	0.04	-
Provisions and other write backs	0.03	0.01
Total adjustments	**28.12**	**24.13**
Working capital changes		
(Increase) / decrease in trade receivables	7.40	25.24
	(7.02)	(22.21)
(Increase) / decrease in loans and other financial assets and other assets		
(Increase) / decrease in inventories	17.56	(93.90)
Increase / (decrease) in trade payables	48.26	45.30
Increase / (decrease) in other financial liabilities and other liabilities and provisions	(2.24)	7.19
Cash generated from operations	**86.50**	**4.86**
Income tax paid	(6.75)	(4.89)
Net cash flows from operating activities	**79.75**	**(0.03)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.35	0.06
Purchase of property, plant and equipment and CWIP	(123.10)	(43.40)
Interest received	0.03	0.03
Net cash flows from / (used in) investing activities	**(122.72)**	**(43.31)**
Cash flow from financing activities		
Dividend paid	-	(10.50)
Payment of lease liabilities	(3.14)	(1.59)
Expenses for increase in authorized capital	-	(0.06)
Proceeds from Right issue of shares	57.00	13.00
Proceeds from long term borrowings	61.33	19.60
Repayment of long term borrowings	(12.51)	-
Proceeds / (Repayment) from current borrowings	(50.45)	37.88
Interest paid	(4.71)	(13.80)
Net cash flow from / (used in) financing activities	**47.52**	**44.53**
Net increase /(decrease) in cash and cash equivalents	**4.55**	**1.19**
Cash and cash equivalents at the beginning of the year	1.54	0.35
Cash and cash equivalents at the end of the year	6.09	1.54
	4.55	**1.19**
<u>**Components of Cash & cash equivalents**</u>		
Balances with banks	6.07	1.53
Cash on hand	0.02	0.01
	6.09	**1.54**

Refer note no. 13 (e) 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

N. Jayendran
Partner
M.No. 40441

Place : Ahd
Date : 28/4/23

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

A. K. Mukherjee
DIN 00131626
Director

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DIN 0009669035
Managing Director

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Chief Financial Officer

Seema Bajaj
Company Secretary
ACS No. 23758

CHLORIDE METALS LIMITED

CIN U34300WB1998PLC181003

Statement of Changes in Equity for the year ended March 31, 2023

A) Equity share capital

	March 31, 2023		March 31, 2022	
	Number	(Rs. In Crore)	Number	(Rs. In Crore)
Authorized Share Capital				
6,05,00,000 equity shares of Rs. 10 each	6,05,00,000	60.50	5,25,00,000	52.50
Addition during year / period	-	-	80,00,000	8.00
Total Authorized capital (6,05,00,000 equity shares of Rs.10 each)	6,05,00,000	60.50	6,05,00,000	60.50
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	5,25,05,952	52.51	5,08,80,952	50.88
Changes in equity share capital during the period	71,25,000	7.13	16,25,000	1.63
Balance at March 31,2023	**5,96,30,952**	**59.64**	**5,25,05,952**	**52.51**

B) Other equity (Rs. In Crores)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance at April 1, 2021	**62.62**	**16.10**	**49.92**	**128.64**
Changes during the year				
Addition during the year	11.38	-	-	**11.38**
Profit / (Loss) for the year	-	-	14.76	**14.76**
Share issue expenses on issue of new shares	(0.06)	-	-	**(0.06)**
Interim dividend paid for the year 2021-22	-	-	(10.50)	**(10.50)**
Other Comprehensive Income for the year, net of tax	-	-	(0.07)	**(0.07)**
Balance at March 31, 2022	**73.94**	**16.10**	**54.11**	**144.15**
Changes during the year				
Addition during the year	49.88	-	-	**49.88**
Profit / (Loss) for the year	-	-	(4.26)	**(4.26)**
Other Comprehensive Income for the period, net of tax	-	-	0.02	**0.02**
Balance at March 31, 2023	**123.82**	**16.10**	**49.87**	**189.79**

Loss of Rs. 0.07 Crore and gain of Rs. 0.02 Crore on remeasurement of defined employee benefit plans (net of tax) is recognized as a part of retained earnings for the year ended March 31, 2022 and year ended March 31, 2023, respectively.

a) Securities premium

This reserve is used to record the premium on issue of shares. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

b) General Reserves

General Reserve is a free reserve available to the Company.

c) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

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

N. Jayendran
Partner
M.No. 40441

Place : Alta
Date : 28/4/23

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

A. K. Mukherjee
DIN 00131626
Director

K Aniruddha
DIN 0009669035
Managing Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary
ACS No. 23758

CHLORIDE METALS LIMITED

CIN: U34300WB1998PLC181003

Statement of Significant Accounting policies and Other Explanatory Notes for financial statements for the year ended March 31, 2023.

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. During the year 2021-22, the Company has started commercial production at Haldia plant. The Company is setting up a greenfield plant at Supa. The entire plant is expected to be commissioned in the financial year ending March 31, 2024.

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 28, 2023.

These financial statements can be amended by the board of directors till they are placed before the share holders and also by the share holders before their approval for adoption.

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, 2023 are prepared in accordance with Ind AS .

The financial statements are presented in INR and all values are rounded to the nearest Crores (INR 00,00,000), 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

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

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.

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. Recent pronouncements

Ministry of corporate affairs (MCA) notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued and amended from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b) **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are " monetary amounts in financial statements that are subject to measurement uncertainty" Entities develop accounting estimates if accounting policies require items in financial

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.4. 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 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. Borrowing costs related to the CWIP are carried in CWIP to be apportioned.

NATVARLAL VEPARI & CO.
Mumbai
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- 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 statement of profit and loss 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.
- In respect of land under lease , the committed lease liabilities are accounted at the net present value and added to the carrying value of the Land under lease on initial recognition and the liability included as lease liabilities of land.

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.
- 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 to expense the cost less residual value over the estimated useful lives of the assets as per Schedule II of the Companies Act, 2013 except in the case of Vehicles where the useful life is considered lower than what is mentioned in Schedule II at 6 years against 8 years mentioned in Scehdule II.
- Amortisation of Intangible assets are done on the basis of the period over which the economic benefits are expected to be realised. The following are the estimates of the period over which the economic benefits are expected.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

- Software – 5 Years

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.
- Borrowing costs includes the discounts on factoring and bill discounting arrangements.

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 and 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

- 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.

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

- 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.
- 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

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

- 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.

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.

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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. The factoring arrangement being under taken by the Company in respect of factoring its trade receivables with no re-course to the Company in case of default results in derecognition of the financial asset and the related factoring cost is disclosed in finance cost.

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 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.

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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

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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

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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

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

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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.

Deferred Tax Asset on unabsorbed depreciation and tax losses are created only when there is a reasonable certainty of generating profits in the future period during which the loss is permitted to be set off.

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 land under lease and plant and equipment necessary for the purposes of its manufacturing operations. 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 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.

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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 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 transaction values and subsequently measured at amortised cost using the EIR method (if there is a financing element), less provision for expected or lifetime credit loss.

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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Chloride Metals Limited

3 Property, plant and equipment

a Details of additions, adjustments, depreciation and net block - Asset class wise for Financial Year 2022-23

(Rs. in Crore)

	Tangible assets										Intangible Assets
Particulars	**Freehold Land**	**Land Under Lease**	**Buildings**	**Plant & Equipment**	**ROU - Plant & Equipment**	**Furniture, Fixtures & Fittings**	**Office Equipment's**	**Vehicles**	**Computers**	**Total**	**Computer Software**
Cost											
As at April 1, 2021	14.04	77.75	52.10	70.06	2.11	0.70	0.46	0.71	0.80	218.73	0.08
Additions	-	13.25	12.31	92.05	26.54	0.49	0.56	1.79	0.91	147.90	0.10
Disposals	-	-	-	(1.07)	-	(0.07)	-	-	-	(1.14)	-
As at March 31, 2022	14.04	91.00	64.41	161.04	28.65	1.12	1.02	2.50	1.71	365.49	0.18
Additions	-	3.44	1.08	3.65	-	0.05	0.18	-	0.01	8.41	-
Disposals	-	-	(0.19)	(3.13)	-	(0.01)	(0.07)	(0.42)	(0.13)	(3.95)	-
As at March 31, 2023	**14.04**	**94.44**	**65.30**	**161.56**	**28.65**	**1.16**	**1.13**	**2.08**	**1.59**	**369.95**	**0.18**
Depreciation											
As at April 1, 2021	-	1.73	5.53	25.52	0.68	0.40	0.21	0.14	0.28	34.49	0.06
Charge for the year	-	0.84	1.82	7.30	0.92	0.09	0.11	0.30	0.24	11.62	0.00
Disposals	-	-	-	(0.10)		(0.01)	-	-	-	(0.11)	-
As at March 31, 2022	-	2.57	7.35	32.72	1.60	0.48	0.32	0.44	0.52	46.00	0.06
Charge for the period	-	1.00	2.21	16.98	1.75	0.09	0.15	0.31	0.31	22.80	0.02
Disposals	-	-	(0.07)	(2.89)	-	(0.01)	(0.07)	(0.40)	(0.13)	(3.57)	-
As at March 31, 2023	**-**	**3.57**	**9.49**	**46.81**	**3.35**	**0.56**	**0.40**	**0.35**	**0.70**	**65.23**	**0.08**
Net Block											
As at March 31, 2022	**14.04**	**88.43**	**57.06**	**128.32**	**27.05**	**0.64**	**0.70**	**2.06**	**1.19**	**319.49**	**0.12**
As at March 31, 2023	**14.04**	**90.87**	**55.81**	**114.75**	**25.30**	**0.60**	**0.73**	**1.73**	**0.89**	**304.72**	**0.10**

b Capital work in Progress

Particulars	Opening Balance	Addition during the year	Capitalized during the period	Closing balance
Capital work in Progress	6.42	131.21	4.74	132.89
(Previous year)	*(87.79)*	*(40.10)*	*(121.47)*	*(6.42)*

Capital work in Progress consists of

Particulars	March 31, 2023	March 31, 2022
Building	57.02	3.54
Furniture & Fixtures	0.84	-
Plant and Machinery	67.25	2.51
Computers	0.97	-
Project expenses pending allocation	6.80	0.37
Total	**132.89**	**6.42**

During the year, Company has incurred Rs. 6.43 Cr (PY - Rs. 0.37 Cr) as project expenses which are pending for allocation.

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c CWIP Ageing Schedule

Particulars	As at March 31, 2023			As at March 31, 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	127.91	-	127.91	6.42	-	6.42
1-2 years	4.98	-	4.98	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Total	132.89	-	132.89	6.42	-	6.42

Projects in progress consists of plant and equipment which are under installation and a new greenfield project initiated during the previous year which is nearing completion and is expected to be capitalized in early FY 2023-24.

d Completion schedule in respect of Capital-Work-in-Progress (CWIP) as on March 31, 2023, whose completion is overdue and has exceeded its cost compared to its original plan is as under :-

Particulars	As at March 31, 2023			As at March 31, 2022		
	Projects in progress	Projects temporarily	Total	Projects in progress	Projects temporarily	Total
Less than 1 year	129.21	-	129.21	-	-	-
1-2 years		-	-	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Total	129.21	-	129.21	-	-	-

Project in progress which has exceeded the period and cost includes a new greenfield project at Supa initiated during the previous year which is in nearing completion and expected to be capitalized in early FY 2023-24.

e During the previous year, the capitalized value of Haldia Project includes expenditure incurred during construction period amounting to Rs.3.01 Crores and allocated to Property, Plant and Equipment as under:

Particulars	March 31, 2023	March 31, 2022
Building	-	1.91
Plant and Machinery	-	1.10
		-
Total	-	3.01

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 indicators of 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.

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

	Particulars	March 31, 2023	March 31, 2022
a	The amount of borrowing costs capitalized during the period; and	3.50	2.63
b	The capitalization rate used to determine the amount of borrowing costs eligible for capitalization	7.44%	6.00%
c	Asset class in which the borrowing cost is capitalized in CWIP	Building & Plant & Equipment	Building & Plant & Equipment

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g Right of Use

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	1.29	1.22
Non-current lease liability	24.35	25.63
Total	25.64	26.85

The following is the movement in lease liabilities during the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	26.05	1.52
Addition	-	25.99
Interest on lease liabilities	1.66	0.76
Payment of lease liabilities	(2.87)	(1.42)
Total	25.64	26.85

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, 2023	As at March 31, 2022
Upto one year	2.86	2.87
two to five years	12.52	10.63
More than five year	27.08	31.84
Total	42.46	45.34

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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(All amounts in Indian Rupees in Crores unless otherwise stated)

	Particulars	As at March 31, 2023	As at March 31, 2022
4	**Other non-current Financial Assets (at amortized cost)**		
	Security deposits		
	- Unsecured, considered good	3.18	2.76
		3.18	**2.76**

		As at March 31, 2023	As at March 31, 2022
5	**Other non-current assets**		
	(i) Unsecured, considered good		
a)	Prepaid expenses	0.10	0.17
b)	Prepaid taxes (net of provisions)	12.09	5.34
c)	Deposit against appeal	-	0.07
d)	Capital advances	11.27	12.16
		23.46	**17.74**

		As at March 31, 2023	As at March 31, 2022
6	**Inventories**		
	(At lower of cost and net realizable value)		
a)	Raw materials		
	- In hand	117.33	103.95
	- In transit	6.70	13.69
b)	Work-in-progress	81.35	85.17
c)	Finished goods		
	- In hand	34.64	55.67
d)	Chemicals & fluxes	2.39	1.36
e)	Stores and spares and fuels	6.20	6.32
		248.61	**266.16**

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

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Amount of inventories recognized as an expense during the period including Stores and Spares and Chemical and Fluxes	3,777.36	2,795.53
(ii)	Amount of write - back of inventories recognized as reduction in consumption during the period.	-	-
(iii)	Amount of write - down of inventories recognized as an expense during the period.	0.38	0.69
		3,777.75	**2,796.22**

		As at March 31, 2023	As at March 31, 2022
7	**Trade receivables (unsecured, at amortized cost)**		
	Trade receivable - Considered good	67.44	74.97
	Trade receivable - Significant increase in credit risk	0.16	-
		67.60	74.97
	Less : Provision for expected credit loss	0.04	-
		67.56	**74.97**

(a) <u>Trade Receivable Ageing Schedule</u>
(Ageing from due date of payment)
As at March 31, 2023

Range of O/s period	Undisputed			Total
	Considered Good	Significant increase in credit risk	credit impaired	
Unbilled	-	-	-	-
Not Due	61.55	-	-	61.55
less than 6 months	5.79	-	-	5.79
6 months - 1 year	0.09	-	-	0.09
1-2 year	0.01	-	-	0.01
2-3 year	-	-	-	-
> 3 years	-	-	-	-
Total	**67.44**	-	-	**67.44**

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As at March 31, 2023

Range of O/s period	Disputed			Total
	Considered Good	Significant increase in credit risk	credit impaired	
Unbilled		-	-	-
Not Due	-	-	-	-
less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1-2 year	-	-	-	-
2-3 year	-	0.07	-	0.07
> 3 years	-	0.05	-	0.05
Total	**-**	**0.12**	**-**	**0.12**

As at March 31, 2022

Range of O/s period	Undisputed			Total
	Considered Good	Significant increase in credit risk	credit impaired	
Unbilled	-	-	-	-
Not Due	65.76	-	-	65.76
less than 6 months	8.62	-	-	8.62
6 months - 1 year	0.22	-	-	0.22
1-2 year	-	-	-	-
2-3 year	0.20	-	-	0.20
> 3 years	-	-	-	-
Total	**74.80**	**-**	**-**	**74.80**

As at March 31, 2022

Range of O/s period	Disputed			Total
	Considered Good	Significant increase in credit risk	credit impaired	
Unbilled	-	-	-	-
Not Due	-	-	-	-
less than 6 months	-	-	-	-
6 months - 1 year	0.03	-	-	0.03
1-2 year	0.07	-	-	0.07
2-3 year	0.07	-	-	0.07
> 3 years	-	-	-	-
Total	**0.17**	**-**	**-**	**0.17**

(b) Since the primary customer is the holding company the credit risk is remote considering the net worth and financial position of the Holding Company. Further, in the absence of any bad debts from the holding company in the past the expected credit loss is zero and the Company is not making any provisions on account any expected credit loss even under the simplified method in respect of trade receivables of the Holding Company. 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 the management.

(c) **Expected credit loss**

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents expected credit loss. In view there of, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

(d)

Movement in the expected credit loss allowance	**As at March 31, 2023**	**As at March 31, 2022**
Particulars		
Balance at the beginning of the period	-	0.62
Reversal during the year	-	0.62
Addition during the year	0.04	-
Provision at the end of the period	**0.04**	-

8 **Cash and cash equivalents**	**As at March 31, 2023**	**As at March 31, 2022**
a) Balances with banks	6.07	1.53
b) Cash on hand	0.02	0.01
	6.09	**1.54**

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9 **Other current financial assets**

	As at March 31, 2023	As at March 31, 2022
(i) Unsecured, considered good		
a) Discount receivable	5.76	4.63
b) Security Deposit	0.09	0.04
c) Insurance receivable	0.70	1.89
	6.55	**6.56**

10 **Other current assets**

	As at March 31, 2023	As at March 31, 2022
(i) Unsecured, considered good		
a) Prepaid expenses	0.89	1.03
b) Balances with tax authorities	39.04	36.62
c) Advance to suppliers	3.51	1.43
d) Loans and advance to staff	0.06	0.05
e) Unbilled revenue - Contract assets	3.32	1.53
f) Export benefit entitlement receivable	1.37	-
g) Indirect taxes recoverable	3.04	3.86
h) Other receivables	0.05	-
	51.28	**44.52**

11 **Share Capital**

	As at March 31, 2023	As at March 31, 2022
a) **Authorized**		
6,05,00,000 (P.Y. 6,05,00,000) equity shares of Rs. 10 each	60.50	60.50
b) **Issued, subscribed & fully paid-up**		
5,96,30,952 (P.Y. 5,25,05,952) equity shares of Rs. 10 each	59.64	52.51

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	As at March 31, 2023 Number of shares held	As at March 31, 2022 Number of shares held
Exide Industries Limited - Holding Company	5,96,30,952	5,25,05,952
% of Holding	100%	100%

As per the records of the Company, including its register of shareholders/members 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 period**

Particulars	As at March 31, 2023 Number	As at March 31, 2023 (Rs. In Crore)	As at March 31, 2022 Number	As at March 31, 2022 (Rs. In Crore)
At the beginning of the year	5,25,05,952	52.51	5,08,80,952	50.88
Issued during the period	71,25,000	7.13	16,25,000	1.63
Outstanding at the end of the year	**5,96,30,952**	**59.64**	**5,25,05,952**	**52.51**

f) **Shares held by promoters**

(a) **Shares held by promoters as at March 31, 2023**

Promoter Name	Shares held by Promotors: As at March 31, 2023 No. of Shares	As at March 31, 2023 % of total Shares	As at March 31, 2022 No. of Shares	As at March 31, 2022 % of total Shares	**% of change during the Period**
Exide Industries Limited - Holding Company	5,96,30,952	100.00%	5,25,05,952	100.00%	13.57%
Total	**5,96,30,952**	**100.00%**	**5,25,05,952**	**100.00%**	**13.57%**

(b) **Shares held by promoters as at March 31, 2022**

Promoter Name	Shares held by Promotors: As at March 31, 2022 No. of Shares	As at March 31, 2022 % of total Shares	As at March 31, 2021 No. of Shares	As at March 31, 2021 % of total Shares	**% of change during the year**
Exide Industries Limited - Holding Company	5,25,05,952	100.00%	5,08,80,952	100.00%	3.19%
Total	**5,25,05,952**	**100.00%**	**5,08,80,952**	**100.00%**	**3.19%**

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g) 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.

12 Other equity

	As at March 31, 2023	As at March 31, 2022
a) **Securities premium**	123.82	73.94
b) **General reserve**	16.10	16.10
c) **Retained earnings**	49.87	54.11
	189.79	**144.15**

Non-current liabilities

13 Long Term Borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan - 1 - Axis Bank	36.96	49.47
Term loan - 2 - HDFC Bank	74.99	13.66
Less : Current maturities	27.68	12.51
	84.27	50.62
	84.27	**50.62**

Term Loan - 1

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

iii. Exclusive mortgage of all that piece and parcel of leasehold land measuring an area of approximately 21.15 Acre lying and situated at under Mouza- Basudevpur & Kashbere.

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 6% p.a. PY - 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
May 25 - Q12	3.63
February 25 - Q11	4.16
November 24 - Q10	4.16
August 24- Q9	4.16
May 24 - Q8	4.17
February 24 - Q7	4.17
November 23 - Q6	4.17
August 23- Q5	4.17
May 23 - Q4	4.17
Total	**36.96**

Term Loan - 2

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

Exclusive charge by way of hypothecation on all the Plant & Machinery both present and future consisting of all movable fixed assets, being movable properties, now stored at or being stored or which may hereafter be brought into or stored at or at present installed at Supa Plant. Exclusive charge by way of hypothecation on the whole of the Security provider's movable assets including its movable plant & machinery, machinery spares, tools and accessories and other movables situated at Supa Plant.

b) **Repayment and interest rate :**

The loan is repayable in 6 years after moratorium period of 1 years from the date of first disbursement. After moratorium, 2nd year repayment will be 11 Crores to be paid in 4 quarterly installments. Subsequent repayments of balance amount is to be made in 16 equal quarterly installments. The interest rate is linked to prevailing 3 month T Bill + Fixed Spread determined on loan disbursal date. Reset of interest will happen 3 months @ prevailing 3 month T bill + fixed spread determined on loan disbursal date.

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The repayment schedule would be as under

Quarter - Year	Quarterly Installment
Feb 28 - Q20	3.99
Nov 27 - Q19	4.00
Aug 27 - Q18	4.00
May 27 - Q17	4.00
Feb 27 - Q16	4.00
Nov 26 - Q15	4.00
Aug 26 - Q14	4.00
May 26 - Q13	4.00
Feb 26 - Q12	4.00
Nov 25 - Q11	4.00
Aug 25 - Q10	4.00
May 25 - Q9	4.00
Feb 25 - Q8	4.00
Nov 24 - Q7	4.00
Aug 24 - Q6	4.00
May 24 - Q5	4.00
Feb 24 - Q4	2.75
Nov 23 - Q3	2.75
Aug 23 - Q2	2.75
May 23 - Q1	2.75
Total	**74.99**

Particulars	As at March 31, 2023	As at March 31, 2022
Repayment within one year from the end of the financial year	27.68	12.51
Repayment beyond one year to five years from the end of the financial year	84.26	47.23
Repayment beyond five years from the end of the financial year	-	3.39
	111.95	**63.13**

c) **Utilization of Borrowings taken from Bank and Financial Institution**

During the year, the company has obtained the fresh disbursement against the term loan which have been used for the specific purpose for which it was taken.

d) **Registration of charges or satisfaction with Registrar of Companies**

Registration of Charge

As at March 31, 2023, the Company has registered all charges duly with the Registrar of Companies in favor of the lenders.

Satisfaction of Charge

There are charges disclosed as outstanding of Rs. 18.58 Crores as at March 31, 2023 (PY Rs. 18.58 Crores as at March 31, 2022) in respect of borrowings which have been repaid long back. The Company is unable to clear the satisfaction for lack of requisite documentation from the lenders. The matter is being followed up by the Company.

e) **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, 2021	5.62	-	43.53	12.57
Interest accrued	1.13	-	-	-
Addition during the year	25.99	13.86	-	-
Changes from financing cash flows	(1.59)	(13.80)	19.60	37.88
Non cash changes	-	0.07	(12.51)	12.51
Other changes	-	-	-	-
Closing balance as on March 31, 2022	**31.15**	**0.13**	**50.62**	**62.96**
Interest accrued	2.12	-	-	-
Addition during the year	1.97	5.16	61.33	-
Changes from financing cash flows	(3.14)	(4.71)	-	-62.96
Non cash changes	-	-	-27.68	27.68
Other changes	-	-	-	-
Closing balance as on March 31, 2023	**32.10**	**0.58**	**84.27**	**27.68**

	As at March 31, 2023	As at March 31, 2022
14 **Lease liability**		
Lease liability of land - Non current	6.25	4.12
Lease liability of ROU - Non current	24.35	25.63
	30.60	**29.75**

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15	Other non current financial liabilities	As at March 31, 2023	As at March 31, 2022
	Capital creditors	6.42	0.14
		6.42	**0.14**

16	Provisions (Non Current)	As at March 31, 2023	As at March 31, 2022
a)	Provision for employee benefits		
	Gratuity	1.97	1.83
	Leave Benefits	0.64	0.62
		2.61	**2.45**

17	Deferred tax liabilities (net)	As at March 31, 2023	As at March 31, 2022
a)	Deferred tax liability:		
	Arising out of temporary difference in depreciable assets	9.69	8.32
b)	Deferred tax assets:		
	Lease liabilities	(0.45)	(0.26)
	Tax disallowances	(0.73)	(0.66)
	Expected credit loss	(0.01)	-
	Unabsorbed losses	(2.43)	-
	Net deferred tax liability	**6.07**	**7.40**

The Company has created deferred tax asset on unabsorbed tax losses on the basis of its projections of future taxable profits arising out of its new projects and expansion plans which are in the last leg of capitalization. The total deferred tax asset recognized on unabsorbed losses during the year is Rs. 2.43 Cr.

Current liabilities

18	Short Term Borrowings	As at March 31, 2023	As at March 31, 2022
	Secured		
	WCDL Loan from banks*	-	50.45
	Secured by first pari passu charge on entire stocks and book debts of the Company (both present and future)		
	Current maturities of long term borrowings	27.68	12.51
		27.68	**62.96**

*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.

Borrowings from banks or financial institutions on the basis of security of current assets

The Company had borrowings during the year from banks on the basis of security of current assets, the disclosure w.r.t documents submitted to lenders is tabulated in Statement 1

19	Lease liability	As at March 31, 2023	As at March 31, 2022
	Lease liability of land - Current	0.21	0.18
	Lease liability of ROU - Current	1.29	1.22
		1.50	**1.40**

20	Current trade payables	As at March 31, 2023	As at March 31, 2022
a)	Trade payables		
	Total outstanding dues of micro and small enterprises	168.23	95.58
	Total outstanding dues of creditors other than micro and small enterprises	247.08	271.47
		415.31	**367.05**

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Details of dues to micro and small enterprises as defined under MSMED Act, 2006	As at March 31, 2023	As at March 31, 2022
Principal amount due	168.23	95.58
Interest due on above	-	-
the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	9.31
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		0.08
Amount of interest accrued and remaining unpaid as at year end	0.08	0.08
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.

Trade Payable Ageing Schedule

(a) **As at March 31, 2023**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	16.41	-
Not Due	168.23	-	208.20	-
Less than 1 year			22.38	
1-2 years	-	-	0.02	-
2-3 year	-	-	0.07	-
> 3 years	-	-	-	-
	-	-	-	
Total	**168.23**	-	**247.08**	-

(b) **As at March 31, 2022**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	23.31	-
Not Due	95.58	-	241.75	-
Less than 1 year	-	-	6.41	-
1-2 years	-	-	0.00	-
2-3 year	-	-	0.00	-
> 3 years	-	-	0.00	-
Total	**95.58**	-	**271.47**	-

21 **Other financial liabilities**	As at March 31, 2023	As at March 31, 2022
Security deposits received	1.91	0.80
Capital Creditors	10.78	10.30
Employee dues	2.53	1.81
Interest accrued	0.58	0.13
	15.80	**13.04**

22 **Other current liabilities**	As at March 31, 2023	As at March 31, 2022
Advance from customers - Contract liability	0.20	0.28
Duties, taxes and other statutory dues payable	1.32	7.89
Export benefit entitlement payable	2.47	-
	3.99	**8.17**

23 **Provisions (Current)**	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Gratuity	0.14	0.07
Leave Benefits	0.05	0.03
Others		
Provision for tax (net of prepaid)	0.49	0.49
Provision for sales return	0.08	0.05
	0.76	**0.64**

(Rs. In Crores)

Particulars	Opening Balance	Additions during the period	Amt. Paid/ Reversed during the period	Closing Balance
Provision for sales return	0.05	0.08	(0.05)	0.08
(Previous year)	(0.05)	(0.05)	(0.05)	(0.05)

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	2022-23	2021-22
24 Revenue from operations		
Revenue from operations		
Sale of products	3,822.01	2,851.89
Sale of services	75.06	37.31
Other operating revenue		
Sale of scrap	21.43	17.47
Export Incentive	0.27	0.13
	3,918.77	**2,906.80**

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

a. **Revenue disaggregation based on :**

	2022-23	2021-22
(a) **Category of good and services**		
Lead Alloy	3,822.01	2,851.89
Job work and Product Services	75.06	37.31
	3,897.07	**2,889.20**
(b) **Geographical region**		
India	3,874.74	2,878.72
International	22.33	10.48
	3,897.07	**2,889.20**

b. **Major customers** - Approximately 96.97% (P.Y. 97.46%) of total revenue of the Company is to the Holding Company.

c. For sale of products and rendering of certain services, Company has recognized revenue based on point of time and its receivables are rights to consideration that are unconditional.

d. **Changes in Contract Assets are as follows :**

	2022-23	2021-22
Balance at the beginning of the year	1.53	-
Invoices raised during the year	(1.53)	-
Revenue recognized during the year	3.32	1.53
Balance at the end of the year	**3.32**	**1.53**

e. **Changes in Contract liabilities are as follows :**

	2022-23	2021-22
Balance at the beginning of the year	0.28	0.02
Revenue recognized during the year	(0.28)	(0.02)
Fresh receipts during the year for unsatisfied performance obligation	0.20	0.28
Balance at the end of the year	**0.20**	**0.28**

f. The entire unsatisfied performance obligation will be fulfilled in the succeeding year

25 Other income	2022-23	2021-22
Interest income	0.03	0.03
Interest accounted on EIR basis	0.05	0.04
Other Income - Profit on Sale of Assets	0.03	-
Foreign exchange gain (net of loss)	1.44	-
Insurance claim received	0.06	0.01
Sundry balances written back	0.13	-
	1.74	**0.08**

26 Cost of raw material and components consumed	2022-23	2021-22
Inventory at the beginning of the period	117.64	90.97
Add : Purchases	3,580.28	2,780.47
	3,697.93	2,871.44
Less : Inventory at the end of the period	124.03	117.64
	3,573.90	**2,753.80**

27 (Increase) / decrease in inventories of finished goods and work-in - progress	2022-23	2021-22
WIP Inventory at the beginning of the period	85.17	46.15
WIP Inventory at the end of the period	(81.35)	(85.17)
FG Inventory at the beginning of the period	55.67	31.30
FG Inventory at the end of the period	(34.64)	(55.67)
	24.85	**(63.39)**

The inventory cost of finished goods & WIP during the period includes write down of Rs. 0.35 Cr Crores (Previous period Rs. 0.48 Cr) & Rs. 0.03 Cr (PY Rs. 0.20 Cr) respectively.

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28 Employee benefits expense	2022-23	2021-22
Salaries, wages and bonus	45.88	32.86
Contribution to provident and other funds	1.20	1.07
Staff welfare expenses	2.60	2.08
	49.68	**36.01**

29 Finance costs	2022-23	2021-22
Interest on debts and borrowings	3.01	2.10
Interest on factoring on trade receivable	23.30	9.07
Interest on MSME	0.00	0.08
Interest on direct taxes	0.00	-
Interest on indirect taxes	0.06	0.01
Interest on lease liability	2.12	1.13
	28.49	**12.39**

30 Depreciation and amortization expense	2022-23	2021-22
Depreciation	21.05	10.69
Amortization of intangible asset	0.02	0.00
Depreciation on ROU Assets	1.75	0.92
	22.82	**11.61**

31 Other expenses	2022-23	2021-22
Consumption of Stores and Spares	19.79	12.96
Consumption of Chemical and Fluxes	44.77	27.41
Consumption of Power and fuel	114.42	65.44
Hire charges	2.66	2.52
Watch & ward expenses	1.80	1.72
Waste management expenses	10.13	6.89
Remuneration to Auditors		
- Audit fees included limited review	0.23	0.18
- Tax audit including transfer pricing	0.03	0.03
- Out of pocket expenses	0.02	0.01
Bank charges	2.11	0.85
Foreign exchange loss (net of gain)	-	0.09
Provision for expected credit loss	0.04	-
Assets Scrapped	0.06	0.16
Loss of asset by fire	0.05	-
Freight outward	15.16	11.60
Repairs and maintenance		
- Machinery	7.39	2.85
- Building	1.09	0.24
- Others	1.72	0.90
Rent	0.05	0.12
Rates and taxes	0.33	0.23
Director's Sitting fee	0.01	0.01
CSR Expenses	0.34	0.34
Insurance	0.95	0.51
Communication	0.19	0.21
Travel and conveyance	0.46	0.33
Printing and stationery	0.23	0.15
Professional and consultancy charges	1.41	0.63
Vehicle upkeep	0.68	0.64
Miscellaneous expenses	0.23	0.32
Total	**226.35**	**137.34**

Break-up of miscellaneous expenses		
Guest house maintenance	0.10	0.16
Membership and subscriptions	0.09	0.01
General expenses	0.04	0.04
Covid related expenses	-	0.11
	0.23	**0.32**

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32 **Disclosure on CSR Activity**

The company is covered under section 135 of the companies act, the following disclosure is made with regard to CSR activities:-

	Particulars	2022-23	2021-22
1	Gross amount required to be spent by the company during the year.	0.34	0.33
2	Amount approved by the Board to be spent during the year	0.34	0.33
	- Ongoing	-	-
	- Other than ongoing	0.34	0.33
2	Amount spent during the year on:		
(a)	Construction/acquisition of any asset	0.15	0.22
(b)	On purposes other than (a) above	0.19	0.12
	Total	**0.34**	**0.34**
3	Shortfall / (Excess) at the end of the year,	-	-
4	Total of previous years shortfall,	-	-
5	Reason for shortfall-	NA	NA

6 Nature of CSR activities-

	Particulars	2022-23	2021-22
(a)	Providing safe drinking water	0.10	0.00
(b)	Eradicating hunger, poverty and malnutrition	-	0.03
(c)	Promoting healthcare including sanitation	-	0.01
(d)	Construction of school	-	0.13
(e)	Skill training	0.17	0.08
(f)	Promoting Education	0.04	-
(g)	Construction of toilets at school	0.03	-
(h)	Setting up homes & hostels for women & orphans	-	0.09

7 There are no transactions with related parties for CSR expenditure.

8 Since there is no unspent amount towards CSR obligation for the year, no provision is created.

9 Disclosures under section 135(5) and 135(6)

A In case of S. 135(5) unspent amount

Company has spent total amount required to be spent as per section 135 of Companies Act, hence disclosure u/s 135(5) of companies act is not required.

B In case of S. 135(6) (Ongoing Project)

Company does not have any ongoing projects, hence disclosure u/s 135(6) of companies act is not required.

33 **Relationship with Struck off Companies**

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

During the previous year , the company had entered into transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the details of which is given hereunder:-

Name of struck off Company	Nature of transactions with struck-off Company	Amount as on March 31, 2023	Amount as on March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
Maxin Hydro Dynamic India Private Limited	Outstanding balance	-	-	Trade Payable
Kaspar Energies Private Ltd *	Outstanding balance	-	-	Trade receivable
Gineex Alloy Private Limited *	Outstanding balance	-	-	Trade receivable

* The receivable from struck off Companies were fully provided as at March 31, 2021 and written off as at March 31, 2022.

34 **Analytical Ratios as per requirements of Schedule III are given in Statement 2**

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

35 Tax expenses

Reconciliation of statutory rate of tax and effective rate of tax	2022-23 (Rs. in Crores)	2021-22 (Rs. in Crores)
Current taxes	-	0.90
Short/ (excess) provision of income tax	-	-
Deferred tax	(1.32)	3.45
	(1.32)	4.35
Current taxes		
Accounting profit / (loss) before income tax	(5.58)	19.12
At India's statutory income tax rate	25.17%	25.17%
Tax on long term capital gain	23.30%	23.30%
Tax on profit / (loss)	(1.40)	4.81
Effect of non deductible expense	6.54	3.57
Effect of deductible expenses and set off of losses	(7.56)	(7.60)
Effect of carry forward losses	2.42	-
Others	-	0.12
	-	0.90
Short / excess provision of earlier years	-	-

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

Particulars	Opening	Recognized in profit and loss	Recognized in Other Comprehensive Income	Closing
Property, Plant and Equipment	(4.72)	(3.60)	-	(8.32)
Employee benefits	0.46	0.07	-	0.53
Remeasurement gain/(loss) on defined benefit plans	0.10	-	0.02	0.12
Expected credit loss	0.16	(0.16)	-	-
Unabsorbed losses	-	-	-	-
Lease rent	0.03	0.23	-	0.26
As at March 31, 2022	**(3.97)**	**(3.45)**	**0.02**	**(7.40)**
Property, Plant and Equipment	(8.32)	(1.37)	-	(9.69)
Employee benefits	0.53	0.08	-	0.61
Remeasurement gain/(loss) on defined benefit plans	0.12	-	(0.01)	0.12
Expected credit loss	-	(0.01)		0.01
Unabsorbed losses	-	2.43	-	2.44
Lease rent	0.26	0.19	-	0.45
As at March 31, 2023	**(7.39)**	**1.31**	**(0.01)**	**(6.07)**

36 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	2022-23	2021-22
Profit / (Loss) after tax (Rs. in Crores)	-4.26	14.77
Total number of equity shares outstanding (Nos.)	5,96,30,952	5,25,05,952
Weighted average no. of shares outstanding (Nos.)	5,48,18,623	5,19,40,541
Nominal value of equity share (Rs.)	10.00	10.00
Basic and Diluted Earnings per share (Rs.)	-0.78	2.84

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

Particulars	2022-23	2021-22
Nominal value of equity share (Rs.)	10	10
For Basic & Diluted EPS		
Total number of equity shares outstanding at the beginning of the year	5,25,05,952	5,08,80,952
Add: Issue of shares	71,25,000	16,25,000
Weighted average number of equity shares Issued	23,12,671	10,59,589
Total number of equity shares outstanding at the end of year	5,96,30,952	5,25,05,952
Weighted average number of equity shares at the end of the year	5,48,18,623	5,19,40,541

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37 **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. 2.12 Crores (P.Y. Rs. 1.90 Crores).

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	**2022-23 (Rs. in Crores)**	**2021-22 (Rs. in Crores)**
Expense recognized in Statement of Profit and Loss		
Current service cost	0.23	0.19
Past service cost	-	-
Service cost	**0.23**	**0.19**
Net interest on net defined benefit liability / asset	0.13	0.11
Less : Gratuity expenses capitalized during the year	-0.02	-0.00
Total	**0.34**	**0.30**
Expense recognized in Other Comprehensive Income		
Actuarial gains / (losses)	0.03	-0.09
Net asset / liability recognized in Balance Sheet		
Present value of defined benefit obligation	2.12	1.90
Fair value of plan assets	-	-
	2.12	**1.90**
Change in obligation during the year		
Present value of defined benefit obligation at the beginning of the year	1.90	1.60
Current service cost	0.23	0.19
Interest cost	0.13	0.11
Benefits paid	(0.11)	(0.09)
Actuarial (gains) / losses	(0.03)	0.09
Present value of defined benefit obligation at the end of the year	**2.12**	**1.90**
The principal assumptions used in determining the gratuity obligations are as follows :		
Financial assumptions		
Discount rate	7.30%	7.00%
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	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
1% increase in discount rate	(0.18)	(0.17)	(0.14)	(0.09)	(0.10)
1% decrease in discount rate	0.21	0.20	0.16	0.11	0.11

Salary escalation	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
1% increase in discount rate	0.21	0.20	0.16	0.11	0.12
1% decrease in discount rate	(0.18)	(0.17)	(0.14)	(0.09)	(0.10)

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.

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

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

b) Almost the entire sales and job work are to the parent company which is the single largest customer of the Company. Revenue contributed by single customer is Rs. 3,800.11 Crores (P.Y. Rs. 2,822.48 Crores) which is approximately 96.97 % (P.Y. 97.46%) of total revenue of the Company.

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39 **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

Chloride Power Systems & Solution Limited

C. Key Management Personnel

Gautam Chatterjee	Director (Upto 1st May, 2021)
Subir Chakraborty	Director
Asish Kumar Mukherjee	Director
Arun Mittal	Director
Nupur Roy Choudhury	Director (Upto 1st May, 2021)
Avik Kumar Roy	Director (w.e.f. 1st May, 2021)
Jitendra Kumar Mohan Lal	Director (w.e.f. 1st May, 2021)
Mona Desai	Director (w.e.f. 1st May, 2021)
K Aniruddha	Director (w.e.f. 19th July, 2022)

II **Transactions**

Particulars	2022-23 (Rs. in Crores)	2021-22 (Rs. in Crores)
Purchase of goods	1,321.29	913.86
Exide Industries Limited	**1,321.29**	**913.86**
Purchase of goods	-	0.03
Chloride Power Systems & Solution Limited	-	**0.03**
Sales of goods	4,399.43	3,290.90
Exide Industries Limited	**4,399.43**	**3,290.90**
Job work charges received	87.78	43.61
Exide Industries Limited	**87.78**	**43.61**
Sales of goods	22.02	10.48
Associated Battery Manufacturers (Ceylon) Limited	**22.02**	**10.48**
Director Sitting Fees	0.01	0.01
Mona Desai	**0.01**	**0.01**
Employment benefits	0.70	-
K Aniruddha	**0.70**	-
DEEC license invalidated	7.63	
Exide Industries Limited	**7.63**	-
DEEC credit reversed	5.16	
Exide Industries Limited	**5.16**	-
Purchase of Advanced license	1.75	-
Exide Industries Limited	**1.75**	-
Dividend paid	-	10.50
Exide Industries Limited	-	**10.50**
Equity financing	57.00	13.00
Exide Industries Limited	**57.00**	**13.00**

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Particulars	2022-23 (Rs. in Crores)	2021-22 (Rs. in Crores)
Reimbursement of expenses	0.68	0.62
Exide Industries Limited	**0.68**	**0.62**
Balances as on March 31		
Net Receivable	3.55	3.64
Associated Battery Manufacturers (Ceylon) Limited	**3.55**	**3.64**
Net Payable	73.37	67.09
Exide Industries Limited	**73.37**	**67.09**

The Company's related party transactions during the year ended March 31, 2023 and March 31, 2022 and outstanding balances as at March 31, 2023 and March 31, 2022 are with its Holding Company and fellow subsidiaries with whom the Company generally enters into transactions at arms length and in the ordinary course of business.
All the balances of related parties are unsecured.

40 **Contingent liabilities and commitments**

Particulars	As at March 31, 2023 (Rs. in Crores)	As at March 31, 2022 (Rs. in Crores)
Contingent liabilities		
(a) Bank guarantees given on behalf of Company	19.84	4.34
(b) Disputed tax dues for which the company is contingently liable		
Direct Taxes	0.01	0.01
Indirect taxes	0.99	1.25

Particulars	As at March 31, 2023 (Rs. in Crores)	As at March 31, 2022 (Rs. in Crores)
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	50.37	27.08
(b) Purchase orders backed by LC opened by bankers.	65.70	59.68
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.

41 **Financial instruments**

i) **The carrying value and fair value of financial instruments by categories as at March 31, 2023, March 31, 2022 is as follows:**

		Carrying Value		Fair Value	
		March 31, 2023 (Rs. in Crores)	March 31, 2022 (Rs. in Crores)	March 31, 2023 (Rs. in Crores)	March 31, 2022 (Rs. in Crores)
a)	**Financial assets**				
	At Amortized Cost				
	Trade receivables	67.56	74.97	67.56	74.97
	Others	9.73	9.32	9.73	9.32
	Cash and cash equivalents	6.09	1.54	6.09	1.54
	Total Financial Assets	**83.38**	**85.83**	**83.38**	**85.83**
b)	**Financial liabilities**				
	At Amortized Cost				
	Borrowings	111.95	113.58	111.95	113.58
	Trade payables	415.31	367.05	415.31	367.05
	Lease liability	32.10	31.15	32.10	31.15
	Others	22.21	13.04	22.21	13.04
	Total Financial Liabilities	**581.57**	**524.82**	**581.57**	**524.82**

Since there are no financial instruments and assets and liabilities carried at fair value in the financial statements, the disclosure of fair value and the fair value hierarchy as per Ind AS 107 are not given. Further the management estimates that the carrying value of assets and liabilities carried at amortized costs approximates their fair value.

42 **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.
The market risks and credit risks are further explained below:

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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 Receivable / (Payable) (Net)	Effect on Profit / (Loss) before tax
	%	(Rs. in Crores)	(Rs. in Crores)
March 31, 2023	5%	3.45	-0.17
	-5%		0.17
March 31, 2022	5%	1.51	-0.08
	-5%		0.08

Foreign exchange transactions

Un-hedged foreign currency exposure

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Receivables	USD	4,36,563	4,88,894
Payables	EURO	14,960	2,47,500

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. Though the Company's main customer, which is its Holding Company , is exposed to commodity price change risk, the Company's pricing arrangements with it does not affect the transfer price between the Company and its 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.

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. 46.88 Crores (PY Rs.63.84 Crores), 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.

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.

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Mumbai
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The working capital position of the company is given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalent	0.02	0.01
Bank balance	6.07	1.53
Current financial assets	6.55	6.56
Inventory	248.61	266.16
Trade receivables	67.56	74.97
Other Current assets	51.28	44.52
Total	**380.09**	**393.75**
Less:		
Short term borrowings	27.68	62.96
Current financial liabilities	15.80	13.04
Lease liability	1.50	1.40
Provisions	0.76	0.64
Other current liabilities	3.99	8.17
Trade payables	415.31	367.05
Total	**465.04**	**453.26**
Total	**(84.95)**	**(59.51)**

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
As at March 31, 2023				
Borrowings	27.68	84.26	-	111.94
Other financial liabilities	15.80	6.41	-	22.21
Lease liability	2.86	12.52	27.08	42.46
Liability for leasehold land	0.32	1.76	365.90	367.98
Trade payables	415.31	-	-	415.31
Total	**461.97**	**104.95**	**392.98**	**959.90**
As at March 31, 2022				
Borrowings	62.96	47.22	3.40	113.58
Other financial liabilities	13.05	0.13	-	13.18
Lease liability	2.87	10.63	31.84	45.34
Liability for leasehold land	0.18	0.80	363.17	364.15
Trade payables	367.05	-	-	367.05
Total	**446.11**	**58.78**	**398.41**	**903.30**

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NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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 3-12 months interval.

During the previous year, Company has entered into factoring arrangement on trade receivables. The Company has paid interest on factoring of trade receivable amounting to Rs. 23.30 Cr (PY Rs. 9.07 Cr). Any change in interest rates will have an impact on interest on factoring of trade receivable.

Particulars	As at March 31, 2023	As at March 31, 2022
Secured loans	111.95	113.58

Sensitivity analysis based on average outstanding secured loans & factoring of trade receivables

Particulars	Impact on Profit / (Loss) after tax	
	2022-23	2021-22
Increase or decrease in interest rate by 100 basis points	1.35	1.23

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, 2023.

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

N. Jayendran
Partner
M.No. 40441

Place : Alld
Date : 28/4/23

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

A. K. Mukherjee
DIN 00131626
Director

K Aniruddha
DIN 0009669035
Managing Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary
ACS NO 23758

Place :
Date :

Chloride Metals Limited

Statement 1- Returns/statements submitted to the Bank and Financials Institution

Sr No	Quarter	Name of bank	Particulars of Securities Provided	31-03-2023 (Amount in Crores)			
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
1	Q1	HDFC Bank & Axis Bank	Stock	224.07	224.07	-	
2	Q1	HDFC Bank & Axis Bank	Books Debts	164.97	164.97	-	
3	Q1	HDFC Bank & Axis Bank	Trade payable	474.89	474.89	-	
4	Q2	HDFC Bank & Axis Bank	Stock	200.13	200.13	-	
5	Q2	HDFC Bank & Axis Bank	Books Debts	180.02	180.02	-	
6	Q2	HDFC Bank & Axis Bank	Trade payable	484.39	484.39	-	
7	Q3	HDFC Bank & Axis Bank	Stock	268.69	268.69	-	
8	Q3	HDFC Bank & Axis Bank	Books Debts	105.14	105.14	-	
9	Q3	HDFC Bank & Axis Bank	Trade payable	484.59	484.59	-	

The Company has not yet submitted Q4 Returns / statements with the bank for the financial year 2022-23

Sr No	Quarter	Name of bank	Particulars of Securities Provided	31-03-2022 (Amount in Crores)			
				Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
1	Q1	HDFC Bank & Axis Bank	Stock	221.23	221.23	-	
2	Q1	HDFC Bank & Axis Bank	Books Debts	37.58	37.58	-	
3	Q1	HDFC Bank & Axis Bank	Trade payable	277.20	277.20	-	
4	Q2	HDFC Bank & Axis Bank	Stock	298.19	298.19	-	
5	Q2	HDFC Bank & Axis Bank	Books Debts	110.27	110.27	-	
6	Q2	HDFC Bank & Axis Bank	Trade payable	458.97	458.97	-	
7	Q3	HDFC Bank & Axis Bank	Stock	333.67	333.67	-	
8	Q3	HDFC Bank & Axis Bank	Books Debts	103.58	103.58	-	
9	Q3	HDFC Bank & Axis Bank	Trade payable	483.31	483.31	-	
10	Q4	HDFC Bank & Axis Bank	Stock	266.17	266.17	-	
11	Q4	HDFC Bank & Axis Bank	Books Debts	74.97	74.97	-	
12	Q4	HDFC Bank & Axis Bank	Trade payable	367.05	367.05	-	

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Chloride Metals Limited
Statement 2- Analytical Ratios
2022-23

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2022-23)	Ratio (2021-22)	% of Variation	Reason for variance
1	Current ratio	Current Asset / Current Liabilities	0.82	0.89	-8.51%	
2	Debt-Equity ratio	Total Debts / Shareholders Equity	0.45	0.58	-22.29%	
3	Debt Service Coverage ratio	Earnings available for debt service / Debt Service	0.48	2.03	-76.42%	Reduction in earnings, due to increase in material cost and other operating cost (increase in rates for furnace oil and chemicals) and increase in finance cost due to factoring of trade receivables
4	Return on Equity ratio (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	-1.91%	7.85%	-124.32%	Reduction in net profit due to increase in finance cost, depreciation and other operating cost (increase in rates for furnace oil and chemicals)
5	Inventory Turnover Ratio	Cost of goods sold OR sales / Average Inventory	13.98	12.27	13.93%	
6	Trade Receivables turnover ratio	Revenue / Average Accounts Receivable	54.99	33.19	65.69%	Less utilization of factoring facility as at the end of the year
7	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables *	9.99	8.89	12.42%	
	* Average trade payables only relates to trade payable for goods					
8	Net capital turnover ratio	Revenue / Average working capital	(59.40)	(64.11)	-7.35%	
9	Net profit ratio	Net Profit after Tax / Net Sales	-0.11%	0.51%	-121.39%	Reduction in net profit due to increase in finance cost, depreciation and other operating cost (increase in rates for furnace oil and chemicals)
10	Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed	5.73%	9.03%	-36.53%	Increase in operational expenses (increase in rates for furnace oil and chemicals) and increase in depreciation at Haldia
11	Return on Investment (ROI)	{MV(T1) – MV(T0) – Sum [C(t)]} / {MV(T0) + Sum [W(t) * C(t)]}		NA**		

** As there are no investments, this ratio is not applicable.

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