

CHLORIDE INTERNATIONAL LIMITED

Balance Sheet And Auditors' Report

2019-20

AUDITORS :

SURENDRA DIDWANIA & CO.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CHLORIDE INTERNATIONAL LIMITED

We have audited the accompanying financial statements of Chloride International Limited, which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (collectively 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report

Other Information

The Company's Board of Director is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit otherwise appears to be materially misstated. If based on the work we have performed, 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.

Responsibility of the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

In preparing the financial statements, the Board of Director 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternate but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable Assurance is 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 Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statement comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2016, as amended;
- e. On the basis of written representations received from the directors as at March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2020 from being appointed as a director in terms Section 164 (2) of the Act;
- f. With regard to adequacy of internal financial control system over financial reporting over the Company and operating effectiveness of such controls refer to our separate report in "Annexure- B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us;
 - i) the management of the Company has confirmed that there is no pending litigation filed by the Company or against the Company as at March 31, 2020.
 - ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii) the clause relating to transfer of amounts required to be transferred to the Investors Protection Fund is not applicable to the Company.

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

Sd/-

S. K. Didwania
Proprietor
Membership No. 56954

Place : Kolkata

Date : 22nd day of May 2020

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind As financial statements for the year ended 31st, March, 2020, we report that;

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the fixed assets of the Company were physically verified during the year. As informed to us no discrepancy was noticed on such verification during the period.
 - c. According to the information and explanations given to us all the immovable properties of the Company are registered in Companies name.
- ii. The Company did not have any physical stock at any time during the year and hence the clauses related to physical verification and maintenance of records of Inventory are not applicable for the year.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms and other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Hence the provisions of clause 3 (iii) (a) to (c) of the order are not applicable.
- iv. According to the information and explanation given to us the Company has not granted any loans or provided any guarantee during the year that would attract provisions of Section 185 and 186 of the Companies Act, 2013. The Company has complied with provisions of Section 186 of the Act, in respect of investments.
- v. The Company has not accepted any deposit from the public within the meaning of sections 73 of the Companies Act, 2013. Hence the relevant provisions are not applicable to the company.
- vi. As per information available and explanations given we are of the opinion provisions relating to maintenance of Cost records are not applicable to the Company. To the best of our knowledge and as informed to us, the Central Government has not prescribed any Cost Audit under the Act.
- vii.
 - a. The Company has been regular in depositing undisputed statutory dues including provident fund and employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and service tax, cess and other statutory dues with the appropriate authorities.
 - b. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax at 31st March, 2020 which were outstanding for period of more than six months from the date they become payable.
 - c. According to the records of the Company, there is no amount in respect of Sales tax, VAT or Goods and Service Tax being disputed has not been deposited;
- viii. The Company has not taken any loan from Bank or Financial Institutions, hence the clause relating default in repayment is not applicable to the Company. The Company has not issued any Debentures.

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the course of our audit.
- xi. As informed by the management and verified by us no managerial remuneration is paid to any of the of the directors or other managerial persons designated at such, by the Company during the year.
- xii. As informed by the management the Company is not a Nidhi Company. Hence the provisions of paragraph 3(xii) are not applicable to the Company.
- xiii. As represented by the management provisions of section 177 and 188 of Companies Act' 2013 were complied with in respect of all transactions with related parties and the details of such transactions have been disclosed vide noted to the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential or private placement of shares or fully or party paid convertible debentures during the year under review. Hence the provisions of section 42 of the Companies Act' 2013 are not applicable to the Company for the Year.
- xv. Based on the audit procedures performed and information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or other persons connected with them.
- xvi. As represented by the management the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

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

S. K . Didwania
Proprietor
Membership No. 56954

Place : Kolkata

Date : 22nd day of May 2020

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Chloride International Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone Ind As statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

S. K. Didwania
Proprietor
Membership No. 56954

Place : Kolkata

Date : 22nd day of May 2020

CHLORIDE INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

(In Rupees)

	Note no.	As at March 31, 2020	As at March 31, 2019
I) ASSETS			
1) Non-current assets			
Property Plant and Equipment	2	3,37,27,457	5,14,34,436
Financial assets			
- Non-Current investments	3	11,000	11,000
- Long-term loans and advances	4	1,76,000	1,76,000
Other Non-Current Assets	5	3,06,153	-
2) Current assets			
Financial assets			
- Current investments	6	2,80,76,409	4,04,46,346
- Cash and cash equivalents	7	15,61,359	15,16,662
TOTAL ASSETS		6,38,58,378	9,35,84,444
II) EQUITY AND LIABILITIES			
1) Equity			
Equity Share capital	8	45,00,000	45,00,000
Other equity	9	5,92,19,092	5,97,48,720
2) Liabilities			
Current liabilities			
i) Financial liabilities			
- Other financial liabilities	10	1,39,286	1,70,217
ii) Current Tax Liabilities (Net)	11	-	5,736
iii) Other Current Liabilities	12	-	2,91,59,771
TOTAL EQUITY AND LIABILITIES		6,38,58,378	9,35,84,444
Significant accounting policies	1		

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

As per our report of even date attached

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

Sd/-

Sd/-

S K. Didwania
 Proprietor
 Membership No. 56954
 Place : Kolkata
 Date : May 22, 2020

Gautam Chatterjee
 Director
 DIN - 00012306

Subir Chakraborty
 Director
 DIN - 00130864

CHLORIDE INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 2020

Particulars	Note no.	For the Year ended 31st March 2020	For the Year ended 31st March 2019
I) INCOME :			
Other income	13	10,40,60,554	95,86,256
Total Income (I)		10,40,60,554	95,86,256
II) EXPENSES			
Other expense	15	2,80,995	2,13,600
Total expenses (II)		2,80,995	2,13,600
III) Earnings before Interest, Tax, depreciation and amortisation expenses (I-II)		10,37,79,559	93,72,656
Depreciation and amortisation expense	14	6,36,467	9,68,478
IV) Interest, depreciation and amortisation expenses		<u>6,36,467</u>	<u>9,68,478</u>
V) Profit/ (loss) before tax (III-IV)		10,31,43,092	84,04,178
VI) Tax expense			
Current Tax	16	1,25,32,913	17,80,000
VII) Profit for the year (V-VI)		<u>9,06,10,179</u>	<u>66,24,178</u>
VIII) Other comprehensive income (OCI)			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :			
a) Re-Measurement gains/(losses) on defined benefit plans		-	-
Income tax effect		-	-
b) Net (Loss)/ gain on equity securities accounted as Fair Value through OCI (FVTOCI) (net of tax)		-	-
Total other comprehensive income for the year (VIII)		<u>-</u>	<u>-</u>
Total comprehensive income for the year (VII+VIII)		<u>9,06,10,179</u>	<u>66,24,178</u>
Paidup Equity Share Capital		45,00,000	45,00,000
Earnings per equity share - Basic and Diluted (Nominal value Rs 10/- per share)		201.36	14.72
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements . As per our report of even date attached			
Surendra Didwania & Co. Firm Reg. Number: 322745 E Chartered Accountants		<i>For and on behalf of the Board of Directors</i>	
	Sd/-	Sd/-	
S K. Didwania Proprietor Membership No. 56954 Place : Kolkata Date : May 22, 2020		Gautam Chatterjee <i>Director</i> DIN - 00012306	Subir Chakraborty <i>Director</i> DIN - 00130864

CHLORIDE INTERNATIONAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	12 Months ended	12 Months ended
	March 31, 2020	March 31, 2019
	Amount in Rs.	Amount in Rs.
A. Cash Flow from operating activities		
Net Profit / Loss before taxation and extra ordinary items	10,31,43,092	84,04,178
Adjusted for :		
Depreciation	6,36,467	9,68,478
Dividend Income	(40,67,107)	(6,17,493)
Rent Income	(52,38,456)	(66,14,376)
Profit on sale of fixed assets	(9,30,29,488)	
Interest Income	(65,731)	(22,976)
Operating profit before working capital change	13,78,777	21,17,811
Adjusted for :		
Trade & other payable	(16,90,702)	9,548
Cash generated from operation	(3,11,925)	21,27,359
Income Tax refund / (Paid)	(1,14,29,210)	(6,61,552)
Cash Flow from operation before prior period & extra ordinary items	(1,17,41,135)	14,65,807
Prior period & extra ordinary items paid	-	-
Net Cash from operating activities (A)	(1,17,41,135)	14,65,807
B Cash Flow from investing activities		
Rent Received	47,14,596	59,52,924
Sale of Fixed Assets / Investments	8,17,74,000	2,72,25,000
(Investment with) / Redemption of Mutual Fund	1,60,00,000	(3,05,00,000)
Dividend Received	4,37,043	-
Purchase of Investment Properties	-	-
Net Cash Flow from investing activities (B)	10,29,25,639	26,77,924
C Cash Flow from Financing activities		
Dividend Paid	(9,11,39,807)	(43,39,990)
Interest Received / (Paid)	-	-
Cash Flow from Financing activities	(9,11,39,807)	(43,39,990)
D Net increase/(decrease) in cash & cash equivalent	44,697	(1,96,259)
E Cash & cash equivalent at the beginning	15,16,662	17,12,921
F Cash & cash equivalent at the closing	15,61,359	15,16,662

Significant Accounting Policies

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

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

For and on behalf of the Board of Directors

Sd/-

Sd/-

S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : May 22, 2020

Gautam Chatterjee
Director
DIN - 00012306

Subir Chakraborty
Director
DIN - 00130864

CHLORIDE INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2020

A) Equity Share Capital

4,50,000 Equity Shares of INR 10 each issued, subscribed and fully paid

	Number	Amount
On April 1, 2018	4,50,000	45,00,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	4,50,000	45,00,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	4,50,000	45,00,000

B) Other Equity

Particulars	Reserves and Surplus		OCI	Total
	Retained earnings	General Reserve	Equity instruments at FVTPL	
Balance at April 1, 2019	5,74,64,532	-	-	5,71,81,760
Profit for the year	66,24,178	-	-	66,24,178
Other Comprehensive Income for the year, net of tax	-	-	-	-
	6,40,88,710	-	-	6,40,88,710
Adjustments				
Payment of Interim dividend (Rs 7.00 per share)	(36,00,000)	-	-	(36,00,000)
Tax on interim dividend	(7,39,990)	-	-	(7,39,990)
Transfer to General reserve	-	-	-	-
Balance at March 31, 2019	5,97,48,720	-	-	5,97,48,720
Profit for the year	9,06,10,179	-	-	9,06,10,179
Other Comprehensive Income for the year, net of tax	-	-	-	-
	15,03,58,899	-	-	15,03,58,899
Adjustments				
Payment of Interim dividend (Rs 168/- per share)	(7,56,00,000)	-	-	(7,56,00,000)
Tax on interim dividend	(1,55,39,807)	-	-	(1,55,39,807)
Transfer to General reserve	-	-	-	-
Balance at March 31, 2020	5,92,19,092	-	-	5,92,19,092

Significant Accounting Policies

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

1

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

For and on behalf of the Board of Directors

Sd/-

Sd/-

S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : May 22, 2020

Gautam Chatterjee
Director
DIN - 00012306

Subir Chakraborty
Director
DIN - 00130864

CHLORIDE INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020

Corporate Information

The company is a 100 % Subsidiary Company of Exide Industries Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Exide House, 59E Chowringhee Road, Kolkata, 700020. The Company is primarily engaged in trading activities.

Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act').

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

1 Significant accounting policies

a. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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.

b. Revenue Recognition

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

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

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Dividends

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

Interest

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

c. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

d. Property, plant and equipment

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

e. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particular	Useful economic life
Investment Property (Residential Buildings)	60 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 to 6 year

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

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

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

f. Intangible assets

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

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

g. Borrowing costs

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

h. Leases

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

Company as a lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 1.g.). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

i. Inventories

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

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

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

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

j. Impairment of non-financial assets

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

k. Provisions

General

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

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

I. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Derecognition

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

Offsetting of financial instruments

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

m. Cash and cash equivalents

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

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

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

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

CHLORIDE INTERNATIONAL LIMITED**NOTES TO FINANCIAL STATEMENTS AS AT 31st MARCH 2020**

2 PROPERTY PLANT AND EQUIPMENT	(Rs.)	
	Buildings	Total
Cost		
As at 1st April 2018	5,92,57,596	5,92,57,596
Additions	-	-
Disposals	-	-
Transfers	-	-
As at 31st March 2019	5,92,57,596	5,92,57,596
Additions	-	-
Disposals	2,16,71,392	2,16,71,392
Transfers	-	-
As at 31st March 2020	3,75,86,204	3,75,86,204
Depreciation		
As at 1st April 2018	68,54,682	68,54,682
Charge for the year	9,68,478	9,68,478
on Disposals	-	-
As at 31st March 2019	78,23,160	78,23,160
Charge for the year	6,36,467	6,36,467
on Disposals	46,00,880	46,00,880
As at 31st March 2020	38,58,747	38,58,747
Net Block		
As at 31st March 2019	5,14,34,436	5,14,34,436
As at 31st March 2020	3,37,27,457	3,37,27,457

3 NON-CURRENT INVESTMENTS

Investments at fair value through OCI (fully paid) (unquoted)

	March 31, 2020		March 31, 2019	
	No Of Units/ Shares	(Rs)	No Of Units/ Shares	(Rs)
Debentures (fully paid up)				
Woodlands Hospital and Medical Research Centre Ltd 1/2% Debentures of Rs 100 each)	25	2500	25	2500
Woodlands Hospital and Medical Research Centre Ltd, 5% Non-redeemable Registered Debentures of (Rs. 6500 each)	1	6500	1	6500
The Bengal Chamber of Commerce & Industry , 6.5 % Debentures of Rs. 1000 each	2	2000	2	2000
		11,000		11,000

4 FINANCIAL ASSETS

LOANS AND DEPOSITS :

	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Security Deposit	1,76,000	-	1,76,000	-
	1,76,000	-	1,76,000	-

5 OTHER NON-CURRENT ASSETS

	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Advance Payment of Tax (Net of Provisions)	-	3,06,153	-	-
	-	3,06,153	-	-

6 CURRENT INVESTMENTS

Investments at fair value through profit & loss (fully paid) (Unquoted)

	March 31, 2020		March 31, 2019	
	No Of Units	(Rs)	No Of Units	(Rs)
Investments in Mutual Fund				
HDFC Floating Rate Debt Fund - Direct Plan - Dividend Reinvestment Plan	27,85,109	2,80,76,409	40,12,236	4,04,46,346
		2,80,76,409		4,04,46,346

Aggregate Value of Unquoted Investments **2,80,76,409** **4,04,46,346**

Investments at fair value through profit & loss (fully paid) reflect investment in quoted and unquoted equity securities and quoted debt securities.

Refer note 20 for determination of their fair values.

7 CASH AND CASH EQUIVALENT

	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
Balance with Banks				
On Current Account	-	15,61,107	-	15,16,410
Cash in hand	-	252	-	252
	-	15,61,359	-	15,16,662

CHLORIDE INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2020

	March 31, 2020		March 31, 2019	
	No.	Amount (Rs.)	No.	Amount (Rs.)
8 SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of of Rs 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Increase/(Decrease) during the year	-	-	-	-
Issued, Subscribed and fully paid up				
Equity Shares of of Rs 10 each	4,50,000	45,00,000	4,50,000	45,00,000
Increase/(Decrease) during the year	-	-	-	-

Terms/ rights attached to equity shares ;

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

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

Shares held by holding company / ultimate holding company

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

	March 31, 2020		March 31, 2019	
	No.	% of holding	No.	% of holding
Equity shares of INR 10 each issued, subscribed and fully paid	4,50,000	100	4,50,000	100

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

	March 31, 2020		March 31, 2019	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of INR 10 each issued, subscribed and fully paid				
Exide Industries Limited	4,50,000	100	4,50,000	100

9 OTHER EQUITY

	March 31, 2020	March 31, 2019
a. Surplus in the Statement of Profit and Loss	5,92,19,092	5,97,48,720
b. OCI Reserve	-	-
	5,92,19,092	5,97,48,720

10 OTHER FINANCIAL LIABILITIES

	March 31, 2020	March 31, 2019
Withheld / Collected Taxes and duties payable	78,576	99,417
Others	60,710	70,800
	1,39,286	1,70,217

11 CURRENT TAX LIABILITIES (NET)

	March 31, 2020	March 31, 2019
Provision for Income Tax (Net of Advance)	-	5,736
	-	5,736

12 OTHER CURRENT LIABILITIES

	March 31, 2020	March 31, 2019
Advances from customers	-	16,59,771
Advance Against Property	-	2,75,00,000
	-	2,91,59,771

CHLORIDE INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2020

	<u>For the Year ended</u> <u>31st March 2020</u> <u>(Rs.)</u>	<u>For the Year ended</u> <u>31st March 2019</u> <u>(Rs.)</u>
13 OTHER INCOME		
Rent and Hire Charges from Holding Company	52,38,456	66,14,376
Dividend Income on Short Term Investments	40,67,107	6,17,493
Profit on Sale of Fixed Assets	9,30,29,488	-
VAT Refund Received	-	23,22,411
Interest Received on Income Tax	65,731	22,976
Liability No Longer Required Written Back	16,59,772	9,000
	<u>10,40,60,554</u>	<u>95,86,256</u>
14 DEPRECIATION AND AMORTIZATION		
Depreciation of tangible assets	6,36,467	9,68,478
	<u>6,36,467</u>	<u>9,68,478</u>
15 OTHER EXPENSES		
Rates and taxes	5,210	6,800
Insurance Charges	26,949	-
Consultancy & Services outsourced	43,562	1,18,300
Maintenance Charges	1,44,625	-
Legal and Professional Fees		17,700
Auditors' Remuneration:		
Audit Fee	60,000	70,800
For other Services	-	-
Miscellaneous Expenses	649	-
	<u>2,80,995</u>	<u>2,13,600</u>
16 INCOME TAX		
Current income tax charge	1,29,40,000	17,80,000
Adjustments in respect of current income tax of previous year	<u>(4,07,087)</u>	<u>-</u>
	<u>1,25,32,913</u>	<u>17,80,000</u>
Deferred Tax		
Relating to origination and reversal of temporary differences	<u>-</u>	<u>-</u>

17 EARNING PER SHARE

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

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

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

Details for calculation of basic and diluted earning per share:

Profit after tax as per Statement of Profit and Loss	9,06,10,179	66,24,178
Weighted average number of equity share (Numbers)	4,50,000	4,50,000
Basic and diluted earning per share (Rs.)	201.36	14.72

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

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

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

	Year Ended	Sale to related parties	Purchase from related parties	Amounts owed by related parties*	Amounts owed to related parties*
Rent Received and Maintenance Cost Recovered Exide Industries Limited	31 March 2020 31 March 2019	61,81,380 78,04,968		- -	- -
		Amount Received	Amount Paid	Amounts owed by related parties*	Amounts owed to related parties*
Dividend Payment : Exide Industries Limited	31 March 2020 31 March 2019	- -	7,56,00,000 36,00,000	- -	- -

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

19 Significant accounting judgements, estimates and assumptions

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

(i) Judgements

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

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

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

(ii) Estimates and assumptions

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

(a) Fair value measurement of financial instruments

When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 20 for further disclosures.

CHLORIDE INTERNATIONAL LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20 Fair values

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

<u>As at 31.03.2020</u>	<u>Valuation Method</u>	<u>Carrying value</u> 31st March 2020 in Rs	<u>Fair value</u> 31st March 2020 in Rs
As at 31.03.2020			
Financial assets			
- Long-term loans and advances	Amortised Cost	1,76,000	1,76,000
- Non-Current investments at FVTOCI	Fair Value	11,000	11,000
- Current investments at FVTPL	FVTPL	2,80,76,409	2,80,76,409
- Cash & Cash Equivalents	Amortised Cost	15,61,359	15,61,359
Total		2,98,24,768	2,98,24,768
Financial liabilities			
- Trade payables	Amortised Cost	-	-
- Other payables	Amortised Cost	1,39,286	1,39,286
Total		1,39,286	1,39,286
As at 31.03.2019			
Financial assets			
- Long-term loans and advances	Amortised Cost	1,76,000	1,76,000
- Non-Current investments at FVTOCI	Fair Value	11,000	11,000
- Current investments at FVTPL	FVTPL	4,04,46,346	4,04,46,346
- Cash & Cash Equivalents	Amortised Cost	15,16,662	15,16,662
Total		4,21,50,008	4,21,50,008
Financial liabilities			
- Trade payables	Amortised Cost	-	-
- Other payables	Amortised Cost	1,70,217	1,70,217
Total		1,70,217	1,70,217

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

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

► The fair values of the unquoted mutual funds have been taken at NAV (Net Assets Values) declared by the managers of such mutual funds.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company assets

	Date of Valuation	<u>Fair value measurement using</u>		
		<u>Quoted prices in</u> <u>active markets</u> <u>(Level 1)</u>	<u>Significant</u> <u>observable</u> <u>inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u> <u>(Level 3)</u>
Financial assets				
- Current investments at FVTPL (Investment in unquoted Mutual Fund Units)	31.03.2020	2,80,76,409	-	-
	31.03.2019	4,04,46,346	-	-

The fair values of the unquoted mutual funds have been taken at NAV (Net Assets Values) declared by the managers of such mutual funds.

CHLORIDE INTERNATIONAL LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

21

Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include mainly other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. The Company does not enter into any derivative transactions.

The Company is not exposed to market risk or credit risk as no trading activity is carried out presently. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk :

The Company is not exposed to any foreign currency risk since it does not hold any assets or liabilities in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is negligible since it is not holding any floating rate debt obligation.

Commodity price risk

The Company is presently not exposed to price volatility of commodities since it is not taking any trading activities.

Equity price risk

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

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company estimates the Credit Risk to be very low since receivable are from Holding Company only which gets collected timely.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

22 Capital Management

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

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company at present is not availing any debt funding.

CHLORIDE INTERNATIONAL LIMITED
ACCOUNTING POLICIES AND NOTES ON ACCOUNT

	March 31, 2020	March 31, 2019
	(Rs.)	(Rs.)
23 Details of dues to micro and small enterprises as defined under MSMED Act, 2006		
Principal amount due	Nil	Nil
Interest due on above	Nil	Nil
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	Nil	Nil
Amount of interest due and payable for the period of delay	Nil	Nil
Amount of interest accrued and remaining unpaid as at year end	Nil	Nil
Amount of further interest remaining due and payable in the succeeding year	Nil	Nil
24 Capital and other commitments		
Commitment for acquisition of fixed assets	Nil	Nil
Commitment for investment	Nil	Nil
Other Commitments	Nil	Nil
	<u>-</u>	<u>-</u>
25 Contingent Liabilities		
Outstanding Bank Guarantees / Indemnity Bonds	Nil	Nil
Sales Tax demands	Nil	Nil
Income Tax demands	Nil	Nil
Other claims being disputed by the Company	Nil	Nil
	<u>-</u>	<u>-</u>
26 Income & Expenditure in Foreign Currency (on accrual basis)		
Income	Nil	Nil
Expenditure	Nil	Nil

27 Figures have been rounded off to nearest rupee.

28 Previous Year's figures have been re-grouped / rearranged wherever found necessary.

As per our report of even date.

Surendra Didwania & Co.
Registration Number: 322745 E
Chartered Accountants

S K. Didwania
Proprietor
Membership No. 56954
Place : Kolkata
Date : May 22, 2020

Sd/-

Sd/-

Gautam Chatterjee
Director
DIN - 00012306

Subir Chakraborty
Director
DIN - 00130864