B. F. PAVRI & CO.

Chartered Accountants

Office No. 9, 2nd Floor, Jain Chambers, 577, S.V. Road, Bandra (W), Mumbai - 400050.
Tel: 022 2640 0358 / 2640 0359

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Chloride Metals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Chloride Metals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 (herein after referred to as "Standalone 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2019, its profit (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 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 Standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial

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statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We do not have any key audit matters to report.

Other Information

The Company's Board of Directors is responsible for preparation of the Other Information. The Other Information comprises the information included in the Board's Report including annexures to Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone 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 standalone 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 Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial

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statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

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

Our responsibilities are further specifically described in Appendix A to our report. The Appendix A appearing at the end of this report is an integral part of our Auditors' Report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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), the Cash Flow Statement and Statement of

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Changes in Equity dealt with by this Report are in agreement with the books of account.

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

e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".

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 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 35 to the standalone 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.

For B.F.Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

K.N.Padmanabhan
Partner
M. No. 36410
Kolkata, Dated: April 16, 2019

B. F. PAVRI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

ANNEXURE A TO AUDITOR'S REPORT

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

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

c. We have verified the title deeds of immovable properties forming part of Fixed Assets produced before us by the management and based on such verification we confirm that the same are held in the name of the Company except for the assets detailed herein below

S. No	Details of Immoveable Properties	Gross Block Rs.	Remarks
1.	Land under lease	5922.28 lacs	The lease right of the immovable property at Haldia, acquired during the year, has not been registered in the name of the Company as at March 31, 2019. The Company has, however initiated process of registration of the same.

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

(iii) The Company has not granted any loan secured or unsecured to any company, firm, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act 2013. Therefore clauses 3(iii)(a), 3(iii0(b) and 3(iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.

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

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

(vii) a. The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. 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, 2019 for a period of more than six months from the date of becoming payable.

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

Name of statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Various Disallowances	7.26	2009-10 (CST)	Jt. Commissioner of Sales Tax (Appeal)
Sales Tax	Various Disallowances	6.37	2013-14 (MVAT)	Jt. Commissioner of Sales Tax (Appeal)
Sales Tax	Various Disallowances	9.71	2014-15 (MVAT)	Jt. Commissioner of Sales Tax (Appeal)
Sales Tax	Various Disallowances	9.71	2014-15 (MVAT)	Jt. Commissioner of Sales Tax (Appeal)
Income Tax	Various Disallowances	3.86	AY 2005-06	Income Tax Appellate Tribunal

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Name of statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Various Disallowances	3.86	AY 2005-06	Income Tax Appellate Tribunal
Customs	Short Collection of duty	6.26	AY 2011-12	Joint Commissioner of Customs
Customs	Short Collection of duty	6.26	AY 2011-12	Joint Commissioner of Customs
Customs	Short Collection of duty	5.60	AY 2011-12	Assistant Commissioner of Customs
Total		**39.06**		

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

(ix) The Company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Hence clause 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

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

(xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

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

(xiii) All transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meeting of the Board of Directors are concerned. On the basis of information and explanation given to us, the company is not required to have an Audit Committee u/s 177 of the Companies Act, 2013. The details of related party transactions have been disclosed in the Standalone Financial Statements

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as required by Ind AS 24 – Related Party Disclosures of the Companies (Indian Accounting Standards) Rules, 2015.

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

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

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

For B.F.Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

K.N.Padmanabhan
Partner
M. No. 36410
Kolkata, Dated: April 16, 2019

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Chloride Metals Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 included obtaining an understanding of internal financial controls

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with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

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

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 B.F.Pavri & Co.
Chartered Accountants
Firm Registration No- 107865W

B. F. PAVRI & CO. Mumbai CHARTERED ACCOUNTANTS

K.N.Padmanabhan
Partner
M. No. 36410
Kolkata, Dated: April 16, 2019

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Appendix A
Description of the Auditors Responsibility

1. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.
2. We also identify and assess the risks of material misstatement of the standalone 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.
3. We 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.
4. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
5. We 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.
6. We evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
7. Materiality is the magnitude of misstatements in the standalone 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
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

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including any significant deficiencies in internal control that we identify during our audit.

9. 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.
10. 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.

For B.F.Pavri & Co.
Chartered Accountants
Firm Registration No- 107865W

K.N.Padmanabhan
Partner
M. No. 36410
Kolkata, Dated: April 16, 2019

B. F. PAVRI & CO. Mumbai CHARTERED ACCOUNTANTS

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Balance Sheet as on March 31, 2019

Particulars	Note No.	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment		11,020.53	5,638.08
(b) Capital work-in-progress		652.78	12.98
(c) Other intangible assets		2.50	0.94
(d) Financial assets			
(i) Others	2	140.35	104.32
(e) Other non-current assets	3	657.90	842.15
		12,474.06	6,598.47
(2) Current assets			
(a) Inventories	4	16,058.43	16,014.44
(b) Financial assets			
(i) Trade receivables	5	14,325.76	5,570.30
(ii) Cash and cash equivalents	6	13.88	11.95
(iii) Others	7	7.45	5.33
(c) Other current assets	8	241.08	113.28
		30,646.60	21,715.30
Total Assets		**43,120.66**	**28,313.77**
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	9	4,738.10	4,238.10
(b) Other equity	10	9,182.91	5,527.11
		13,921.01	9,765.21
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11		29.95
(b) Provisions	12	130.99	111.54
(c) Deferred tax liabilities (net)	13	543.63	628.76
		674.62	770.25
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	4,385.67	2,422.57
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	15	2,432.68	625.37
Total outstanding dues of creditors other than micro and small enterprises	15	19,850.83	13,724.09
(iii) Other financial liabilities	16	366.84	291.62
(b) Curent tax liability	17	131.91	
(c) Other current liabilities	18	1,310.53	620.03
(d) Provisions	19	46.57	94.63
		28,525.03	17,778.31
Total Equity and Liabilities		**43,120.66**	**28,313.77**

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

For and on behalf of the Board of Directors

As per our report of even date attached
For B. F. Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

A K Mukherjee
DIN 00131626
Director

Arun Mittal
DIN 00412767
Director

K.N. Padmanabhan
Partner
M.No. 36410

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary

Place : Kolkata
Date : April 16, 2019

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	2018-19 (Rs. in lacs)	2017-18 (Rs. in lacs)
I) **INCOME**			
Revenue from operations (gross)	20	2,07,963.16	2,07,707.13
Other income	21	19.55	85.79
Total Income (I)		**2,07,982.71**	**2,07,792.92**
II) **EXPENSES**			
Cost of raw materials and components consumed	22	1,95,663.23	1,90,019.81
(Increase) / decrease in inventories of finished goods and work-in - progress	23	(93.94)	(1,180.96)
Excise duty			6,351.48
Employee benefits expense	24	2,539.55	2,183.21
Finance costs	25	167.45	74.67
Depreciation & amortisation expense	26	658.18	532.73
Other expenses	27	7,278.88	6,847.47
Total expenses (II)		**2,06,213.35**	**2,04,828.40**
Profit before tax (I-II)		**1,769.36**	**2,964.53**
Tax expense		**538.33**	**1,155.97**
1. Current tax		739.00	1,193.07
2. Short/ (excess) provision of income tax		(117.73)	(36.71)
3. Deferred tax liability / (asset)		(82.96)	(0.39)
Profit for the period from continuing operations		**1,231.03**	**1,808.56**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Reameasurement of the net defined benefit liability / asset		(6.21)	(5.13)
Tax effect thereon		2.17	1.79
Total other comprehensive income, net of tax		**(4.04)**	**(3.34)**
Total comprehensive income for the year		**1,226.99**	**1,805.22**
Earnings per equity share			
Equity shares of par value Rs.10/- each			
Basic and diluted (Rupees)	30	**2.61**	**4.27**

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

For and on behalf of the Board of Directors

As per our report of even date attached
For B. F. Pavri & Co
Chartered Accountants
Firm Registration No. 107865W

K.N. Padmanabhan
Partner
M.No. 36410

B. F. PAVRI & CO. Mumbai CHARTERED ACCOUNTANTS

Place : Kolkata
Date : April 16, 2019

A K Mukherjee
DIN 00131626
Director

Arun Mittal
DIN 00412767
Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Cash Flows for the year ended March 31, 2019

	2018-19 (Rs. in lacs)	2017-18 (Rs. in lacs)
Cash flow from operating activities:		
Profit for the period	1,769.36	2,964.53
Add : Adjustments		
Depreciation and amortization expense	658.18	532.73
Expenses for increase in authorised capital	3.75	
Interest and borrowing costs	167.45	74.67
Interest received	(4.96)	(28.33)
Loss on sale / write off of plant, property and equipment and CWIP		263.90
Provisions and other write backs	(12.83)	(12.03)
	811.59	**830.94**
Working capital changes		
(Increase) / decrease in trade receivables	(8,755.45)	667.54
(Increase) / decrease in loans and other financial assets and other assets	551.13	1,663.96
(Increase) / decrease in inventories	(43.99)	(4,607.37)
Increase / (decrease) in trade payables	7,938.50	(1,811.92)
Increase / (decrease) in other financial liabilities and other liabilities and provisions	337.49	109.72
Cash generated from operations	**2,608.62**	**(182.61)**
Income tax paid	(597.24)	(1,217.44)
Net cash flows from operating activities	**2,011.38**	**(1,400.05)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment		49.11
Purchase of property, plant and equipment and CWIP	(6,090.88)	(73.55)
Capital Advance	(471.45)	(113.57)
Interest received	5.46	28.33
Net cash flows from / (used in) investing activities	**(6,556.87)**	**(109.68)**
Cash flow from financing activities		
Dividend paid	(473.81)	(847.62)
Dividend distribution tax paid	(97.39)	(172.56)
Expenses for increase in authorised capital	(3.75)	
Proceeds from Right issue of shares	3,500.00	
Repayment of non current borrowings	(74.83)	(59.81)
Proceeds from current borrowings	5,963.11	2,422.57
Repayment of current borrowings	(4,000.00)	
Interest paid	(265.90)	(73.51)
Net cash flow from / (used in) financing activities	**4,547.43**	**1,269.07**
Net increase /(decrease) in cash and cash equivalents	**1.93**	**(240.66)**
Cash and cash equivalents at the beginning of the year	11.95	252.61
Cash and cash equivalents at the end of the year	13.88	11.95
	1.93	**(240.66)**

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

For and on behalf of the Board of Directors

As per our report of even date attached
For B. F. Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

A K Mukherjee
DIN 00131626
Director

Arun Mittal
DIN 00412767
Director

K. N. Padmanabhan
Partner
M.No. 36410

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary

Place : Kolkata
Date : April 16, 2019

CHLORIDE METALS LIMITED

CIN U34300WB1998PLC181003

Statement of Changes in Equity for the year ended March 31, 2019

A) Equity share capital	**As at March 31, 2019**		**As at March 31, 2018**	
	Number	Rs. in lacs	Number	Rs. in lacs
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	4,23,80,952	4,238.10	4,23,80,952	4,238.10
Changes in equity share capital during the year	50,00,000	500.00		
Balance at March 31, 2019	**4,73,80,952**	**4,738.10**	**4,23,80,952**	**4,238.10**

B) Other equity

Particulars	Reserves and Surplus			(Rs. in lacs)
	Securities Premium	General Reserve	Retained Earnings	Total
Balance at April 1, 2017	115.25	1,610.00	3,016.82	4,742.07
Changes during the year				
Profit for the year			1,808.56	1,808.56
Other Comprehensive Income for the year, net of tax			(3.34)	(3.34)
Interim dividend paid for the year 2017-18			(847.62)	(847.62)
Tax on interim dividend for the year 2017-18			(172.56)	(172.56)
Balance at March 31, 2018	**115.25**	**1,610.00**	**3,801.87**	**5,527.11**
Changes during the year				
Addition during the year	3,000.00			3,000.00
Interim dividend paid for the year 2018-19			(473.81)	(473.81)
Tax on interim dividend for the year 2018-19			(97.39)	(97.39)
Profit for the year			1,231.03	1,231.03
Other Comprehensive Income for the year, net of tax			(4.04)	(4 04)
Balance at March 31, 2019	**3,115.25**	**1,610.00**	**4,457.66**	**9,182.91**

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

As per our report of even date attached
For B. F. Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

K. N. Padmanabhan
Partner
M.No. 36410

Place : Kolkata
Date April 16, 2019

For and on behalf of the Board of Directors

A K Mukherjee
DIN 00131626
Director

Arun Mittal
DIN 00412767
Director

A. K. Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary

Significant Accounting Policies

1 Corporate Information

The Company was incorporated on 14th December, 1998 formerly known as Tandon Metals Limited. Chloride Metals Limited is a wholly owned subsidiary of Exide Industries Limited with effect from 1st November, 2007. Pursuant to the approval of the scheme of amalgamation of Chloride Alloys India Limited, another wholly owned subsidiary, with effect from 1st April, 2015, the operations of the said Chloride Alloys India Limited have been merged with those of the Company. Both plants have an integrated and state-of the art smelting facility which is engaged in the process of extracting lead and lead alloys by re-melting impure lead and recycling lead scrap batteries and worn out lead content products.

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 16, 2019.

2 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, 2019 are prepared in accordance with Ind AS .

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

Use of estimates

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

2.2 Recent Accounting Pronouncements

Ind AS 116 : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The standard permits two possible methods of transition:

i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.
The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

i) To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

ii) To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.3 Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Current and non-current classification

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

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- 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

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve 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.

b) Property, plant and equipment (PPE)

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

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

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

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

- ► Building 30 years
- ► Plant and equipment 15 years
- ► Furniture, Fixtures and Fittings 10 years
- ► Office equipment 5 -10 years
- ► Computers 3 years
- ► Vehicles 8 years

Leasehold Land is amortised over the period of the lease.

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

c) Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

Intangible assets with indefinite useful lives are not amortised but are tested for impairment at each reporting date and impaired if there is a fall in the value below the carrying value of the intangible asset.

d) 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.

e) Impairment Loss

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its 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 are separately identifiable cash flows (cash-generating units).
Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

f) 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:

► 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 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 and 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. Cost of finished goods also includes excise duty.

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.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

h) Provisions and contingent liabilities

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.

Contingent liabilities

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

i) Retirement and other employee benefits

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

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.

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

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► The date that the Company recognises related restructuring costs

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.

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.

j) Foreign Currencies

Transactions and Balances

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.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. 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.

k) 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.

l) Financial instruments

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:

► Debt instruments at amortised cost

► Debt instruments at fair value through other comprehensive income (FVTOCI)

► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group 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. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the company's expected purchase, sale or usage requirements are held at cost.

m) 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. Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty, where applicable. However, Sales tax/ Value Added Tax (VAT)/ Goods and Services Tax (GST) are collected on behalf of the government and accordingly it is excluded from revenue.

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

Sale of goods

Revenue from the sale of goods is recognised when the transfer of control of the goods have passed to the buyer, in an amount that reflects the consideration the entity expects to receive in exchange for those Goods Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, discounts and volume rebates.

Rendering of Services

Revenue from Job work is recognised when performance obligation is satisfied and it is reasonably certain that revenue will be receivable.

Interest Income

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).

n) 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 in the country. 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 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.

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.

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

o) Leases

Operating lease

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. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis.

p) Earning per share

Earnings per share is 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.

q) 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 holders.

Property, plant and equipment

1 Details of additions, adjustments, depreciation and net block - Asset class wise for 2018-19

(Rs. in lacs)

	Tangible assets									Intangible Assets
	Freehold Land	Land Under Lease	Buildings	Plant, Equipment & Machinery	Furniture, Fixtures & Fittings	Office Equipments	Vehicles	Computers	Total	Computer Software
Cost										
As at April 1, 2017	1,403.90	-	1,780.96	3,985.74	51.09	26.30	38.63	7.03	7,293.65	6.14
Additions	-	-	6.60	64.37	0.44	1.81	-	0.07	73.29	
Disposals	-	-	0.53	24.05	0.40	0.36	0.55	0.28	26.16	
As at March 31, 2018	1,403.90	-	1,787.03	4,026.06	51.13	27.75	38.08	6.82	7,340.77	6.14
Additions	-	5,922.28	7.12	73.04	5.28	5.44	-	26.99	6,040.15	2.04
Disposals	-	-	-	-	-	-	-	-	-	
As at March 31, 2019	**1,403.90**	**5,922.28**	**1,794.15**	**4,099.10**	**56.41**	**33.19**	**38.08**	**33.81**	**13,380.92**	**8.18**
Depreciation										
As at April 1, 2017	-		199.20	952.16	16.71	3.42	12.73	1.55	1,185.77	3.64
Charge for the year	-		97.16	417.08	6.62	4.96	4.06	1.29	531.17	1.56
Disposals	-		0.48	13.21	0.25	0.24	0.07	-	14.25	
As at March 31, 2018	-	-	295.88	1,356.03	23.08	8.14	16.72	2.84	1,702.69	5.20
Charge for the year	-	49.82	96.06	497.23	6.12	2.59	2.64	3.24	657.70	0.48
Disposals	-		-	-	-	-	-	-	-	
As at March 31, 2019	**-**	**49.82**	**391.94**	**1,853.26**	**29.20**	**10.73**	**19.36**	**6.08**	**2,360.39**	**5.68**
Net Block										
As at March 31, 2018	**1,403.90**	**-**	**1,491.15**	**2,670.03**	**28.05**	**19.61**	**21.36**	**3.99**	**5,638.08**	**0.94**
As at March 31, 2019	**1,403.90**	**5,872.46**	**1,402.21**	**2,245.84**	**27.21**	**22.46**	**18.72**	**27.73**	**11,020.53**	**2.50**

	CWIP as on April 1, 2018	Current year CWIP additions	Capitalised	Net CWIP as on March 31, 2019
Capital WIP	12.98	6,660.80	6,020.99	652.78

i) The Company has carried out the exercise of assesment of any indiacation of impairment to its property plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property,plant and equipment during the year.

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

Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
FINANCIAL ASSETS		
2 Other non-current financial assets (at amortised cost)		
Security deposits		
- Unsecured, considered good	123.23	104.32
- Unsecured, considered being credit impaired	-	0.17
	123.23	104.49
Less : Provision for doubtful deposits	-	0.17
	123.23	104.32
Other receivables	17.12	-
	140.35	104.32
3 Other non-current assets		
(i) Unsecured, considered good		
a) Prepaid expenses	1.88	4.91
b) Prepaid taxes (net of provisions)	3.13	3.15
c) Income tax refund receivable	61.89	-
d) Duties and taxes recoverable	5.98	720.52
e) Capital advances	585.02	113.57
	657.90	842.15
4 Inventories		
(At lower of cost and net realisable value)		
a) Raw materials		
- In hand	8,318.14	8,309.60
- In transit	563.58	632.29
b) Work-in-progress	6,365.14	2,876.40
c) Finished goods	596.77	3,991.57
d) Stores and spares and fuels	214.80	204.58
	16,058.43	16,014.44
5 Trade receivables (unsecured, at amortised cost)		
Considered good	14,336.74	5,581.28
Considered doubtful [refer note no. 38 (c)]	32.96	32.96
	14,369.70	5,614.24
Less : Provision for impairment [refer note no. 38(c)]	43.94	43.94
	14,325.76	5,570.30
6 Cash and bank balances		
Cash and cash equivalents		
a) Balances with banks	7.13	4.77
b) Cheques on hand	1.49	4.06
c) Cash on hand	5.26	3.12
	13.88	11.95
7 Other current financial assets		
(i) Unsecured, considered good		
a) Loans to staff	7.45	5.33
	7.45	5.33

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Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
8 Other current assets		
(i) Unsecured, considered good		
a) Prepaid expenses	39.86	24.75
b) Duties and taxes recoverable	28.96	27.63
c) Advance to suppliers	64.37	55.89
d) Advance to staff	2.18	2.51
e) Other current assets	105.71	2.50
(ii) Unsecured, considered doubtful		
a) Advance to suppliers	361.90	361.90
	602.98	475.18
Less : Allowances for doubtful advances	361.90	361.90
	241.08	**113.28**
9 Share Capital		
a) **Authorised**		
4,75,00,000 (P.Y. 4,25,00,000) equity shares of Rs. 10 each	4,750.00	4,250.00
b) **Issued, subscribed & fully paid-up**		
4,73,80,952 (P.Y. 4,23,80,952) equity shares of Rs. 10 each	4,738.10	4,238.10

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

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

Particulars	Number of shares held	Number of shares held
Exide Industries Limited - Holding Company	4,73,80,952	4,23,80,952
% of Holding	100%	100%

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	(Rs. in lacs)	Number	(Rs. in lacs)
At the beginning of the year	4,23,80,952	4,238.10	4,23,80,952	4,238.10
Issued during the period	50,00,000	500.00	-	-
Outstanding at the end of the year	**4,73,80,952**	**4,738.10**	**4,23,80,952**	**4,238.10**

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

10 Other equity		
a) **Securities premium**	3,115.25	115.25
b) **General reserve**	1,610.00	1,610.00
c) **Retained earnings**	4,457.66	3,801.86
	9,182.91	**5,527.11**
Non-current liabilities		
11 Borrowings (at amortised cost)		
Unsecured deferred payment liability		
Sales tax deferral loan	-	29.95
	-	**29.95**

Note :

Maturity Profile :

Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
Instalments payable between 1 to 3 years	-	29.95
Total	-	**29.95**

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Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
12 Provisions		
a) Provision for employee benefits		
Gratuity	102.33	86.91
Leave Benefits	28.66	24.63
	130.99	**111.54**
13 Deferred tax liabilities (net)		
a) Deferred tax liability:		
Arising out of temporary difference in depreciable assets	596.69	694.56
b) Deferred tax assets:		
Provision for expected credit loss	(3.84)	(3.84)
Tax disallowances	(49.23)	(43.15)
MAT credit utilised	-	(18.81)
Net deferred tax liability	**543.63**	**628.76**
Current liabilities		
14 Borrowings (at amortised cost)		
Secured		
Cash credit from banks	4,385.67	2,422.57
(Secured by creating primary charges on stocks and book debts)		
	4,385.67	**2,422.57**
15 Current trade payables		
a) Trade payables		
Total outstanding dues of micro and small enterprises	2,432.68	625.37
Total outstanding dues of creditors other than micro and small enterprises	19,850.83	13,724.09
	22,283.51	**14,349.46**

Details of dues to micro and small enterprises as defined under MSMED Act, 2006	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
Principal amount due	2,432.68	625.37
Interest due on above	-	1.16
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprises Development Act, 2006	1.16	-
Amount of interest due and payable for the period of delay	-	1,16
Amount of interest accrued and remaining unpaid as at year end	-	1.16
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.

16 Other financial liabilities		
Current maturities of long term debt	-	47.67
Security deposits received	222.20	122.32
Payable for capital goods	5.13	1.96
Interest on MSME	-	1.16
Other payables	139.51	118.51
	366.84	**291.62**
17 Current tax liability		
Current tax liability (net of taxes paid)	131.91	-
	131.91	**-**
18 Other current liabilities		
Advance from customers	-	19.36
Duties, taxes and other statutory dues payable	1,306.50	600.67
Others	4.03	-
	1,310.53	**620.03**
19 Provisions		
Provision for employee benefits		
Gratuity	5.56	2.40
Leave Benefits	1.22	0.88
Others		
Provision for tax (net of prepaid)	36.69	82.68
Provision for sales return	3.09	8.67
	46.57	**94.63**

(Rs. in lacs)

Particulars	Opening Balance	Additions during the year	Amt. Paid/ Reversed during the year	Closing Balance
Provision for sales return	8.67	3.09	8.67	3.09
(Previous year)	18.70	8.67	18.70	8.67

	2018-19	2017-18
	(Rs. in lacs)	(Rs. in lacs)
20 **Revenue from operations**		
Revenue from operations		
Sale of products (including excise duty)	2,04,420.38	2,04,386.42
Job work charges	2,425.67	2,190.17
Other operating revenue		
Sale of scrap	1,114.16	1,130.54
Export incentives	2.95	-
	2,07,963.16	**2,07,707.13**

21 **Other income**		
Interest income	4.96	6.81
Other income - sundry balances written back	4.44	12.99
Interest on Income tax refund	-	21.52
Foreign exchange gain / (loss) net	-	24.74
Insurance claim received	7.35	3.45
Other non operating income	2.80	16.29
	19.55	**85.80**

22 **Cost of raw material and components consumed**		
Inventory at the beginning of the year	8,941.89	5,217.99
Add : Purchases	1,95,603.06	1,93,743.71
	2,04,544.95	1,98,961.70
Less : Inventory at the end of the year	8,881.72	8,941.89
	1,95,663.23	**1,90,019.81**

23 **(Increase) / decrease in inventories of finished goods and work-in - progress**		
WIP Inventory at the beginning of the year	2,876.40	3,466.16
WIP Inventory at the end of the year	(6,365.14)	(2,876.40)
FG Inventory at the beginning of the year	3,991.57	2,552.63
FG Inventory at the end of the year	(596.77)	(3,991.57)
(Increase) /decrease in excise duty on finished goods	-	(331.78)
	(93.94)	**(1,180.96)**

The inventory cost of finished goods during the year includes write down of Rs. 6.27 lacs (P.Y. Rs. 20.27 lacs).

24 **Employee benefits expense**		
Salaries, wages and bonus	2,294.85	1,968.68
Contribution to provident and other funds	74.36	66.72
Staff welfare expenses	170.34	147.81
	2,539.55	**2,183.21**

The Company has provided for bonus at lesser of minimum wages payable or Rs. 7000/- p.m. instead of higher of the two, due to litigations in progress in various courts on this issue.

25 **Finance costs**		
Interest on debts and borrowings	155.08	62.79
Interest on direct taxes	3.05	0.11
Interest on indirect taxes	9.32	10.61
Interest on others	-	1.16
	167.45	**74.67**

26 **Depreciation and amortization expense**		
Depreciation of property plant and equipment	657.70	531.17
Amortisation of intangible asset	0.48	1.56
	658.18	**532.73**

	2018-19	2017-18
	(Rs. in lacs)	(Rs. in lacs)
27 Other expenses		
Consumption of stores and spares	740.85	743.34
Power and fuel	3,614.14	3,156.82
Hire charges	272.52	283.36
Watch & ward expenses	124.85	125.05
Water charges	1.81	1.80
Waste management expenses	455.61	480.82
Remuneration to Auditors		
- Audit fees	10.00	10.00
- Tax audit	2.00	2.00
- Other services	9.75	3.60
- Out of pocket expenses	2.09	0.49
Director sitting fees	-	1.20
Bank charges	3.82	3.13
Loss on sale of assets	-	2.72
Loss on sale of CWIP	-	261.18
Foreign exchange loss	0.57	-
Provision for expected credit loss	-	10.99
Freight outward	1,381.15	1,179.23
Repairs and maintenance		
- Machinery	188.24	164.12
- Building	58.20	51.71
- Others	38.12	41.16
Rent	22.20	11.19
Rates and taxes	46.47	29.40
CSR activity expenses	58.52	42.01
Donation	0.78	0.30
Insurance	36.35	30.67
Communication	12.21	12.92
Conveyance	52.33	43.53
Printing and stationery	13.49	12.31
Professional and consultancy charges	81.36	99.52
Testing charges	12.12	11.86
Vehicle maintenance	15.14	13.95
Advertisement and sales promotion	-	0.02
Fines and penalties	1.00	-
Miscellaneous expenses	23.19	17.06
Total	**7,278.88**	**6,847.47**

Break-up of miscellaneous expenses		
Guest house maintenance	2.49	1.54
Membership and subscriptions	6.18	1.90
Office expenses	2.91	2.03
General expenses	11.61	11.59
	23.19	17.06

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a) **Disclosure on CSR Activity**

(a) Gross amount required to be spent by the Company during the year: Rs. 58.52 lacs (P.Y. Rs. 42.01 lacs)

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

Particulars	Paid in cash/bank	Yet to be paid in cash/bank	Total
		2018-19 (Rs. in lacs)	
Promoting Education	50.27	-	50.27
Promoting gender equality and empowering women	0.49	-	0.49
Rural / Education development projects	7.01	-	7.01
Enduring environmental sustainability	0.75		0.75
Total	58.52	-	58.52

Particulars	Paid in cash/bank	Yet to be paid in cash/bank	Total
		2017-18 (Rs. in lacs)	
Promoting Education	38.32	-	38.32
Promoting gender equality and empowering women	3.00	-	3.00
Enduring environmental sustainability	0.69	-	0.69
	42.01	-	42.01

28 In accordance with the requirements of Ind AS 18 - "Revenue", Revenue from Operations for the year ended March 31, 2018 is shown net of Goods and Services Tax (GST) but includes 3 months (April to June) excise duty for the year 2017-18. However, Revenue from Operations for the previous year is shown inclusive of excise duty. For comparison purposes revenue excluding excise duty is given below :

Particulars	2018-19	2017-18
	(Rs. in lacs)	(Rs. in lacs)
Revenue from operations	2,07,963.16	2,07,707.13
Less : Excise duty on sales (included in other expenses)	-	6,351.48
Total Income from operation excluding excise duty on sales	**2,07,963.16**	**2,01,355.65**

29 **Tax expenses**

Reconciliation of statutory rate of tax and effective rate of tax

	2018-19	2017-18
	(Rs. in lacs)	(Rs. in lacs)
Current taxes	739.00	1,193.07
Short/ (excess) provision of income tax	(117.73)	(36.71)
Deferred taxes	(82.96)	(0.39)
	538.33	1,155.97
Current taxes		
Accounting profit before income tax	1,769.36	2,964.53
At India's statutory income tax rate	34.94%	34.61%
Tax on long term capital gain	23.29%	23.07%
Tax on profit	618.29	1,025.96
Effect of non deductible expense	304.16	324.48
Effect of deductible expenses and set off of losses	(183.45)	(157.38)
	739.00	**1,193.07**
Short / excess provision of earlier years	(117.73)	(36.71)

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

Particulars	Opening	Recognised in profit and loss	Recognised in Other Comprehensive Income	Closing
Property, Plant and Equipment	(735.57)	41.01	-	(694.56)
Employee benefits	34.47	6.89	-	41.36
Expected credit loss	17.25	(13.41)	-	3.84
Remeasurement gain/(loss) on defined benefit plans	-	-	(1.79)	1.79
MAT Credit Entitlement	52.90	(34.10)	-	18.81
As at March 31, 2018	**(630.95)**	**0.39**	**(1.79)**	**(628.76)**
Property, Plant and Equipment	(694.56)	97.87	-	(596.69)
Employee benefits	41.36	3.90	-	45.26
Expected credit loss	3.84	-	-	3.84
Remeasurement gain/(loss) on defined benefit plans	1.79	-	(2.17)	3.96
MAT Credit Entitlement	18.81	(18.81)	-	0.00
As at March 31, 2019	**(628.76)**	**82.96**	**(2.17)**	**(543.63)**

30 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	2018-19	2017-18
Profit after tax (Rs. in lacs)	1,231.03	1,808.56
Total number of equity shares outstanding (Nos.)	4,73,80,952	4,23,80,952
Weighted average no. of shares outstanding (Nos.)	4,71,20,678	4,23,80,952
Nominal value of equity share (Rs.)	10.00	10.00
Earnings per share (Rs.)	2.61	4.27

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

Particulars	2018-19	2017-18
Nominal value of equity share (Rs.)	10	10
For Basic & Dilutive EPS		
Total number of equity shares outstanding at the beginning of the year	4,23,80,952	4,23,80,952
Add: Issue of shares	50,00,000	-
Weighted average number of equity shares outstanding	47,39,726	-
Total number of equity shares outstanding at the end of year	4,73,80,952	4,23,80,952
Weighted average number of equity shares at the end of the year	4,71,20,678	4,23,80,952

31 **Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company has taken various residential / godowns / (including Furniture and Fittings if any) and material handling equipments under leave and license agreements or lease. These generally range between 11 months to 7 years under leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent and Hire Charges.

The Company has taken land at Haldia, West Bengal for a lease term of 99 years. Lease rent is under Rent in the Statement of Profit and Loss.

The Company has taken material handling equipments and vehicles on an operating lease.

The future minimum committed lease rentals are given below :

Particulars	March 31, 2019	March 31, 2018
	(Rs. in lacs)	(Rs. in lacs)
Payable not later than one year	145.58	79.50
Payable between one to five years	461.43	192.94
Payable after five years	29,925.65	-

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32 **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. 107.89 lacs (P.Y. Rs. 89.31 lacs).

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

Particulars	As at March 31, 2019 (Rs. in lacs)	As at March 31, 2018 (Rs. in lacs)
Expense recognised in Statement of Profit and Loss		
Current service cost	10.99	10.08
Past service cost	-	-
Service cost	**10.99**	**10.08**
Net interest on net defined benefit liability / asset	6.09	4.93
Total	**17.08**	**15.01**
Expense recognised in Other Comprehensive Income		
Actuarial gains / (losses)	-6.21	-5.13
Net asset / liability recognised in Balance Sheet		
Present value of defined benefit obligation	107.89	89.31
Fair value of plan assets	-	-
	107.89	**89.31**
Change in obligation during the year		
Present value of defined benefit obligation at the beginning of the year	89.31	71.57
Current service cost	10.99	10.08
Past service cost - plan amendments	-	-
Interest cost	6.09	4.93
Benefits paid	(4.71)	(2.40)
Actuarial (gains) / losses	6.21	5.13
Present value of defined benefit obligation at the end of the year	**107.89**	**89.31**
The principal assumptions used in determining the gratuity obligations are as follows :		
Financial assumptions		
Discount rate	7%	7%
Salary escalation rate	5%	5%
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		
Effect on defined benefit obligation due to 1% increase in discount rate	(9.78)	(8.32)
Effect on defined benefit obligation due to 1% decrease in discount rate	11.39	10.14
Salary escalation		
Effect on defined benefit obligation due to 1% increase in salary escalation rate	11.57	10.29
Effect on defined benefit obligation due to 1% decrease in salary escalation rate	(10.09)	(8.59)

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.

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

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

b) Revenue contributed by the holding company in the operating segments exceeds ten percent of the Company's total revenue.

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

I **Relationships:**

A. Entities where control exists

Holding Company

Exide Industries Limited

B. Fellow Subsidiary

Associated Battery Manufacturers (Ceylon) Limited

C. Key Management Personnel

Gautam Chatterjee	Director
Subir Chakraborty	Director
Asish Kumar Mukherjee	Director
Arun Mittal	Director
U. B. Agarwal	Whole time Director and CEO upto March 31, 2019
Mona Desai	Independent Director upto February 12, 2018
Sudhir Chand	Independent Director upto February 12, 2018

II **Transactions**

Particulars	**2018-19 (Rs. in lacs)**	**2017-18 (Rs. in lacs)**
Purchase of goods	45,661.32	37,549.80
Excise duty	-	233.38
VAT	-	51.55
GST	8,228.75	5,571.11
Exide Industries Limited	53,890.07	43,405.84
Sales of goods including excise duty	1,99,359.05	1,99,652.14
VAT & CST collected	-	1,922.30
GST collected	39,965.27	29,707.27
Freight recovered	748.04	571.89
Exide Industries Limited	2,40,072.35	2,31,853.60
Job work charges received	2,346.93	2,181.67
GST	420.61	284.73
Exide Industries Limited	2,767.54	2,466.40
Sales of goods	157.89	-
Associated Battery Manufacturers (Ceylon) Limited	157.89	-
Dividend paid	473.81	847.62
Exide Industries Limited	473.81	847.62
Equity financing	3,500.00	-
Exide Industries Limited	3,500.00	-

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Particulars	2018-19 (Rs. in lacs)	2017-18 (Rs. in lacs)
Remuneration to key managerial personnel		
a) Short term employee benefits		
U. B. Agarwal	37.18	31.20
b) Post employment benefits		
U. B. Agarwal	2.85	1.12
	40.03	32.32
Director fees to key managerial personnel		
Mona Desai	-	0.60
Sudhir Chand	-	0.60
Professional fees to key managerial personnel		
Mona Desai	-	0.60
Sudhir Chand	-	0.60
Reimbursement of expenses		
Exide Industries Limited	18.14	15.85
Balances as on March 31		
Net Receivable		
Exide Industries Limited	14,149.10	5,481.36
Associated Battery Manufacturers (Ceylon) Limited	49.50	-

35 Contingent liabilities and commitments

Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
Contingent liabilities		
(a) Bank guarantees given on behalf of Company	190.85	32.42
(b) Disputed tax dues for which the company is contingently liable	43.46	221.33

Particulars	March 31, 2019 (Rs. in lacs)	March 31, 2018 (Rs. in lacs)
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	4,239.61	146.00
(b) Purchase orders backed by LC opened by bankers.	10,760.90	19,452.01
Total		

36 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures 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 .

a) **Judgements**

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

b) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) **Defined benefit plans (gratuity benefits)**

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

37 Financial instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2019, March 31, 2018 is as follows:

		Carrying Value		Fair Value	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
a)	**Financial assets**				
	Amortised Cost				
	Trade receivables	14,325.76	5,570.30	14,325.76	5,570.30
	Others	147.80	109.65	147.80	109.65
	Cash and cash equivalents	13.88	11.95	13.88	11.95
	Total Financial Assets	**14,487.43**	**5,691.91**	**14,487.43**	**5,691.91**
b)	**Financial liabilities**				
	Borrowings	4,385.67	2,452.52	4,385.67	2,452.52
	Trade payables	22,283.52	14,349.46	22,283.52	14,349.46
	Others	366.84	291.62	366.84	291.62
	Total Financial Liabilities	**27,036.03**	**17,093.60**	**27,036.03**	**17,093.60**

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

38 **Financial risk management objectives and policies**

Financial risk factors

a) **Market risk**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is commodity price risk. However the Company primarily supplies to the holding company and its pricing mechanism for its products are linked to the LME prices of Lead that is the main raw material for the Company. The Company has not had any significant losses on account of price change risks arising out of changes in the price of Lead. The Company's main customer, being its holding company, is however subject to commodity price changes but the Company's arrangement does not affect the transfer price between the Company and the holding company.

Determining the sensitivity to the commodity price changes would not reflect the correct analysis as the Company is in a position to translate most of the price changes in its selling price determination with the holding company. Hence the sensitivity to the commodity price changes is not disclosed.

b) **Exchange risk**

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 keeping the currency exposure open. Consequently, to that extent the results of the Company's operations do not adversely get affected as the rupee appreciates/ depreciates against foreign currencies.

The Company's sensitivity to foreign currency risk is worked out for mainly the import purchases, which by and large gets recovered in the determination of selling price to the customer. The local prices of lead are correlated to the LME price and the relevant foreign currency exchange rate and therefore all changes in the foreign currency rates translate into changes in the determination of the selling price to the customer.

For a 5% change in the rate of exchange, the impact on the Company would Rs. 2.47 lacs (P.Y. Rs. 21.51 lacs) on its Profit statement and Rs. 2.47 lacs (P.Y. Rs. 21.51 lacs) on its Net Asset value on the assumption that the Company is unable to recover the difference in its selling price.

Foreign exchange transactions

Un-hedged foreign currency exposure

Particulars	Currency	31-Mar-19	31-Mar-18
Trade Receivables	USD	72,843	-

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c) **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. 14,235.76 lacs, which is majorly from the holding company. The credit period agreed from the holding company is 30 days and there have been no significant delays by the holding company in honouring 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. However, the company has made adequate provisions for expected credit loss of other customers.

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

Age of Receivables	March 31, 2019	March 31, 2018
	(Rs. in lacs)	(Rs. in lacs)
Holding Company		
Within the credit period	14,198.60	5,478.86
More than 180 days due	-	-
Others		
Within the credit period	84.45	48.73
Overdue amount	86.65	86.65

Movement in the expected credit loss allowance	March 31, 2019	March 31, 2018
Particulars	Current	Current
	(Rs. in lacs)	(Rs. in lacs)
Balance at the beginning of the period	43.94	32.96
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	10.98
Provision at the end of the period	**43.94**	**43.94**

d) **Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has outstanding bank borrowing for working capital. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

e) **Interest rate risk**

The Company's borrowings are limited to working capital and therefore the company's direct exposure to interest rate risk is not significant. The company may also have limited exposure to market risk arising out of all round interest rate risks to industry affecting the trade and commerce.

As per our report of even date attached
For B. F. Pavri & Co.
Chartered Accountants
Firm Registration No. 107865W

A K Mukherjee
DIN 00131626
Director

Arun Mittal
DIN 00412767
Director

K. N. Padmanabhan
Partner
M.No. 36410

A K Choudhury
Chief Financial Officer

Seema Bajaj
Company Secretary

Place : Kolkata
Date : April 16, 2019