CHLORIDE METALS LIMITED

Balance Sheet

And

Auditors' Report

2019-20

Auditors:

NATVARLAL VEPARI & CO.

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

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
Chloride Metals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Chloride Metals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 its profit (including other comprehensive income) and its cash flows for the year ended on that date.

Basis for Opinion

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

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Other Matter

The comparative financial information of the company for the year ended March 31, 2019 included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated April 16, 2019 expressed an unmodified opinion.

Our opinion is not modified in respect of the above matter.

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

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

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

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

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d. In our opinion, the aforesaid Financial Statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the Financial Statements;

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

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

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: May 22, 2020
UDIN : 20040441AAAAAH1324

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

ANNEXURE A

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

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

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

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

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

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

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

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

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

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(vii) a. The Company has 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, 2020 for a period of more than six months from the date of becoming payable.

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

Name	Nature of Dues	Amount (Rs. in lacs)	Period to which it relates	Forum where dispute is pending
Income Tax	Various Disallowances	3.87	AY 2005-06	Income Tax Appellate Tribunal
Customs	Short Collection of duty	5.60	AY 2011-12	Deputy Commissioner of Customs
Customs	Short Collection of duty	6.26	AY 2011-12	Deputy Commissioner of Customs
Customs	Penalty	50.00	AY 2019-20	Deputy Commissioner of Customs
	Total	**65.73**		

(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.

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(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 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

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

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

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: May 22, 2020
UDIN : 20040441AAAAAH1324

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Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Chloride Metals Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N Jayendran
Partner
Membership No. 40441
Mumbai, Dated: May 22, 2020
UDIN : 20040441AAAAAH1324

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Balance Sheet as on March 31, 2020

Particulars	Note No.	March 31, 2020 (Rs. In Lacs)	March 31, 2019 (Rs. In Lacs)
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	10,912.52	11,020.53
(b) Right to use - Lease	4A	176.90	-
(c) Capital work-in-progress	3	4,434.41	652.78
(d) Other intangible assets	3	2.39	2.50
(e) Financial assets			
(i) Security deposits and others	4	137.23	146.33
(f) Other non-current assets	5	3,401.51	651.92
		19,064.96	12,474.06
(2) Current assets			
(a) Inventories	6	13,794.75	16,058.43
(b) Financial assets			
(i) Trade receivables	7	2,133.12	14,325.76
(ii) Cash and cash equivalents	8	850.23	13.88
(iii) Others	9	3.75	-
(c) Other current assets	10	1,304.85	1,345.08
		18,086.70	31,743.15
Total Assets		**37,151.66**	**44,217.21**
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	11	4,738.10	4,738.10
(b) Other equity	12	9,093.86	9,182.91
		13,831.96	13,921.01
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability ROU assets	4B	151.95	-
(ii) financial liabilities	13	355.49	-
(b) Provisions	14	181.62	130.99
(c) Deferred tax liabilities (net)	15	354.81	543.63
		1,043.87	674.62
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	4,385.67
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	17	5,991.28	2,432.68
Total outstanding dues of creditors other than micro and small enterprises	17	15,242.93	20,947.39
(iii) Lease liability ROU assets	4B	28.30	-
(iv) Other financial liabilities	18	534.02	370.87
(b) Current tax liability	19	-	131.91
(c) Other current liabilities	20	434.93	1,306.50
(d) Provisions	21	44.37	46.56
		22,275.83	29,621.58
Total Equity and Liabilities		**37,151.66**	**44,217.21**

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

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

Sd/-

N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 22.05.2020

For and on behalf of the Board of Directors

Sd/-

A. K. Mukherjee
DIN 000131626
Director

Sd/-

Arun Mittal
DIN 00412767
Director

Sd/-

A. K. Choudhury
Chief Financial Officer

Sd/-

Seema Bajaj
Company Secretary

Place : Kolkata
Date : 22.05.2020

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Profit and Loss for the year ended March 31, 2020

	Particulars	Note No.	2019-20 (Rs. In Lacs)	2018-19 (Rs. In Lacs)
I)	**INCOME**			
	Revenue from operations (gross)	22	202,218.83	207,963.16
	Other income	23	7.98	19.55
	Total Income (I)		**202,226.81**	**207,982.71**
II)	**EXPENSES**			
	Cost of raw materials and components consumed	24	186,443.34	193,921.80
	(Increase) / decrease in inventories of finished goods and work-in - progress	25	2,284.46	(93.94)
	Employee benefits expense	26	2,712.59	2,539.55
	Finance costs	27	52.43	167.45
	Depreciation & amortisation expense	28	562.01	658.18
	Other expenses	29	8,861.20	9,020.31
	Total expenses (II)		**200,916.03**	**206,213.35**
	Profit before tax (I-II)		**1,310.78**	**1,769.36**
	Tax expense		**234.80**	**538.33**
	1. Current tax		416.00	739.00
	2. Short/ (excess) provision of income tax		-	(117.73)
	3. Deferred tax liability / (asset)		(181.20)	(82.96)
	Profit for the period from continuing operations		**1,075.98**	**1,231.03**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the net defined benefit (liability) / asset		(30.23)	(6.21)
	Tax effect thereon		7.61	2.17
	Total other comprehensive income, net of tax		**(22.62)**	**(4.04)**
	Total comprehensive income for the year		**1,053.36**	**1,226.99**
	Earnings per equity share			
	Equity shares of par value Rs.10/- each			
	Basic and diluted (Rupees)	31	**2.27**	**2.61**

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

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

Sd/-

N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 22.05.2020

For and on behalf of the Board of Directors

Sd/-

A. K. Mukherjee
DIN 000131626
Director

Sd/-

Arun Mittal
DIN 00412767
Director

Sd/-

A. K. Choudhury
Chief Financial Officer

Sd/-

Seema Bajaj
Company Secretary

Place : Kolkata
Date : 22.05.2020

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Cash Flows for the year ended March 31, 2020

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Cash flow from operating activities:		
Profit for the period	1,310.78	1,769.36
Add : Adjustments		
Depreciation and amortization expense	562.01	658.18
Expenses for increase in authorised capital	-	3.75
Interest and borrowing costs	33.52	167.45
Interest on lease liability	18.56	-
Interest received	(6.52)	(4.96)
Interest accounted on EIR basis	(0.75)	
Profit on sale / write off of plant, property and equipment and CWIP	(0.40)	-
Provisions for expected credit loss	29.07	-
Exchange (gain) / loss	174.22	0.57
Provisions and other write backs	(1.45)	(12.83)
	808.26	**812.16**
Working capital changes		
(Increase) / decrease in trade receivables	12,224.69	(8,755.45)
(Increase) / decrease in loans and other financial assets and other assets	35.77	551.13
(Increase) / decrease in inventories	2,263.68	(43.99)
Increase / (decrease) in trade payables	(2,381.21)	7,937.93
Increase / (decrease) in other financial liabilities and other liabilities and provisions	(466.34)	337.49
Cash generated from operations	**13,795.63**	**2,608.63**
Income tax paid	(618.68)	(597.26)
Net cash flows from operating activities	**13,176.95**	**2,011.37**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.63	-
Purchase of property, plant and equipment and CWIP	(6,679.75)	(6,562.33)
Interest received	6.52	5.46
Net cash flows from / (used in) investing activities	**(6,672.60)**	**(6,556.87)**
Cash flow from financing activities		
Dividend paid	(947.62)	(473.81)
Dividend distribution tax paid	(194.79)	(97.39)
Payment of lease liabilities ROU assets (refer note 4C)	(44.52)	-
Payment of lease liabilities land	(15.29)	-
Expenses for increase in authorised capital	-	(3.75)
Proceeds from Right issue of shares	-	3,500.00
Repayment of non current borrowings	-	(74.83)
Proceeds from current borrowings	-	5,963.11
Repayment of current borrowings	(4,385.67)	(4,000.00)
Interest paid	(80.11)	(265.90)
Net cash flow from / (used in) financing activities	**(5,668.00)**	**4,547.43**
Net increase /(decrease) in cash and cash equivalents	**836.35**	**1.93**
Cash and cash equivalents at the beginning of the year	13.88	11.95
Cash and cash equivalents at the end of the year	850.23	13.88
	836.35	**1.93**

Refer note no. 36 for reconciliation of liabilities from financing activities

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

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

Sd/-

N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 22.05.2020

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 000131626
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary

Place : Kolkata
Date : 22.05.2020

CHLORIDE METALS LIMITED
CIN U34300WB1998PLC181003
Statement of Changes in Equity for the year ended March 31, 2020

A) Equity share capital

	March 31, 2020		March 31, 2019	
	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	47,380,952	4,738.10	42,380,952	4,238.10
Changes in equity share capital during the year	-	-	5,000,000	500.00
Balance at March 31	**47,380,952**	**4,738.10**	**47,380,952**	**4,738.10**

B) Other equity

(Rs. In Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance at April 1, 2018	115.25	1,610.00	3,801.87	5,527.12
<u>Changes during the year</u>				
Addition during the year	3,000.00	-	-	3,000.00
Profit for the year	-	-	1,231.03	1,231.03
Other Comprehensive Income for the year, net of tax	-	-	(4.04)	(4.04)
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)
Balance at March 31, 2019	**3,115.25**	**1,610.00**	**4,457.66**	**9,182.91**
<u>Changes during the year</u>				
Profit for the year	-	-	1,075.98	1,075.98
Interim dividend paid for the year 2019-20	-	-	(947.62)	(947.62)
Tax on interim dividend for the year 2019-20	-	-	(194.79)	(194.79)
Other Comprehensive Income for the year, net of tax			(22.62)	(22.62)
Balance at March 31, 2020	**3,115.25**	**1,610.00**	**4,368.61**	**9,093.86**

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

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

Sd/-
N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 22.05.2020

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
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DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer
Place : Kolkata
Date : 22.05.2020

Sd/-
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 __________

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, 2020 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 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 Equipment's 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

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) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

The Company as a lessee

The Company’s lease asset classes primarily consist of leases handling equipment's. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

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

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

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

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

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. On the date of initial application, Company has accounted right of use asset as an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset ₹210.72 lacs and lease liability of ₹206.21 lacs. The effect of this adoption is not material. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

i) Applied incremental borrowing rate to arrive at present value of lease payments.

ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IndAS116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

e) Borrowing costs

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

f) Impairment 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.

g) 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 moving weighted average.

► However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

► Finished goods 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.

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

h) Cash and cash equivalents

Cash and cash equivalents 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.

i) 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.

j) 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.

k) 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.

l) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

m) 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.

n) Revenue Recognition

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

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

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).

o) 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.

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.

3 Property, plant and equipment

Details of additions, adjustments, depreciation and net block - Asset class wise for 2019-20 **(Rs. in lacs)**

	Tangible assets									Intangible Assets
	Freehold Land	**Land Under Lease**	**Buildings**	**Plant, Equipment & Machinery**	**Furniture, Fixtures & Fittings**	**Office Equipment's**	**Vehicles**	**Computers**	**Total**	**Computer Software**
Cost										
As at April 1, 2018	1,403.91	-	1,787.03	4,026.07	51.12	27.76	38.08	6.82	7,340.79	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	1,403.91	5,922.28	1,794.15	4,099.11	56.40	33.20	38.08	33.81	13,380.94	8.18
Additions	-	372.42	0.39	16.65	7.29	0.48	6.11	16.65	419.99	0.30
Disposals	-	-	-	-	-	-	(4.40)	-	(4.40)	-
As at March 31, 2020	**1,403.91**	**6,294.70**	**1,794.54**	**4,115.76**	**63.69**	**33.68**	**39.79**	**50.46**	**13,796.54**	**8.48**
Depreciation										
As at April 1, 2018	-	-	295.89	1,356.03	23.08	8.14	16.72	2.85	1,702.71	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	391.95	1,853.26	29.20	10.73	19.36	6.09	2,360.41	5.68
Charge for the year	-	60.60	91.73	349.57	5.80	5.37	3.78	10.93	527.77	0.41
Disposals	-	-	-	-	-	-	(4.18)	-	(4.18)	-
As at March 31, 2020	**-**	**110.42**	**483.68**	**2,202.83**	**35.00**	**16.10**	**18.96**	**17.02**	**2,884.01**	**6.09**
Net Block										
As at March 31, 2019	**1,403.91**	**5,872.46**	**1,402.20**	**2,245.85**	**27.20**	**22.47**	**18.72**	**27.72**	**11,020.53**	**2.50**
As at March 31, 2020	**1,403.91**	**6,184.28**	**1,310.86**	**1,912.93**	**28.69**	**17.58**	**20.83**	**33.44**	**10,912.52**	**2.39**

Particulars	**CWIP as on April 1, 2019**	**Current year CWIP additions**	**Capitalised**	**Net CWIP as on March 31, 2020**
Capital WIP	652.78	4,201.92	420.29	4,434.41

Capital WIP consists of

Particulars	**March 31, 2020**
Building	2,800.61
Plant and Machinery	1,633.80
Total	**4,434.41**

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

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

Disclosure in accordance with Ind AS - 23 "Borrowing Cost", of the Companies (Indian Accounting Standards) Rules, 201

	Particulars	**March 31, 2020**	**March 31, 2019**
a	The amount of borrowing costs capitalised during the period; and	80.11	97.29
b	The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation	9.15%	10.10%
c	Asset class in which the borrowing cost is capitalised in CWIP	Building & Plant & Machinery	Building & Plant & Machinery

4 Right of Use

(Rs. in lacs)

A Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	**Equipment**
Balance as at April 1, 2019	210.72
Depreciation	(33.82)
Balance as at March 31, 2020	**176.90**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the statement of Profit and Loss.

B The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	**Total**
Current lease liability	28.30
Non-current lease liability	151.95
Balance as at March 31, 2020	**180.25**

C The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	**Total**
Balance at the beginning	206.21
Interest on lease liabilities	18.56
Payment of lease liabilities	(44.52)
Balance as at March 31, 2020	**180.25**

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

CHLORIDE METALS LIMITED

CIN U34300WB1998PLC181003

Notes to financial statements for the year ended March 31, 2020

Particulars	Mar 31, 2020 (Rs. In Lacs)	Mar 31, 2019 (Rs. In Lacs)
FINANCIAL ASSETS		
4 **Other non-current financial assets (at amortised cost)**		
Security deposits		
- Unsecured, considered good	121.45	129.21
Other receivables	15.78	17.12
	137.23	**146.33**
5 **Other non-current assets**		
(i) Unsecured, considered good		
a) Prepaid expenses	7.93	1.88
b) Prepaid taxes (net of provisions)	73.91	3.13
c) Income tax refund receivable	61.89	61.89
d) Capital advances	3,257.78	585.02
	3,401.51	**651.92**
6 **Inventories**		
(At lower of cost and net realisable value)		
a) Raw materials		
- In hand	8,677.49	8,318.14
- In transit	293.58	563.58
b) Work-in-progress	2,566.57	6,365.14
c) Finished goods	2,110.88	596.77
d) Stores and spares and fuels	146.23	214.80
	13,794.75	**16,058.43**
7 **Trade receivables (unsecured, at amortised cost)**		
Considered good	2,133.12	14,336.74
Considered doubtful	62.03	32.96
[refer note no. 38 (c)]		
	2,195.15	14,369.70
Less : Provision for expected credit loss [refer note no. 38(c)]	62.03	43.94
	2,133.12	**14,325.76**
8 **Cash and bank balances**		
Cash and cash equivalents		
a) Balances with banks	846.72	7.13
b) Cheques on hand	0.94	1.49
c) Cash on hand	2.57	5.26
	850.23	**13.88**
9 **Other current financial assets**		
(i) Unsecured, considered good		
a) Deposits	3.75	-
	3.75	**-**
10 **Other current assets**		
(i) Unsecured, considered good		
a) Prepaid expenses	47.38	39.86
b) Duties and taxes recoverable	506.66	28.96
c) Advance to suppliers	92.69	64.37
d) Loans and advance to staff	5.71	9.63
e) Other current assets	652.41	1,202.26
(ii) Unsecured, considered doubtful		
a) Advance to suppliers	361.90	361.90
	1,666.75	1,706.98
Less : Allowances for doubtful advances	361.90	361.90
	1,304.85	**1,345.08**

11 Share Capital

	Mar 31, 2020 (Rs. In Lacs)	Mar 31, 2019 (Rs. In Lacs)
a) **Authorised**		
4,75,00,000 (P.Y. 4,75,00,000) equity shares of Rs. 10 each	475,000,000	475,000,000
b) **Issued, subscribed & fully paid-up**		
4,73,80,952 (P.Y. 4,73,80,952) equity shares of Rs. 10 each	4,738.10	4,738.10

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

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

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

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

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

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	Number	(Rs. In Lacs)	Number	(Rs. In Lacs)
At the beginning of the year	47,380,952	4,738.10	42,380,952	4,238.10
Issued during the period	-	-	5,000,000	500.00
Outstanding at the end of the year	**47,380,952**	**4,738.10**	**47,380,952**	**4,738.10**

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

12 Other equity

	Mar 31, 2020	Mar 31, 2019
a) **Securities premium**	3,115.25	3,115.25
b) **General reserve**	1,610.00	1,610.00
c) **Retained earnings**	4,368.61	4,457.66
	9,093.86	**9,182.91**

Non-current liabilities

13 Other financial liabilities

	Mar 31, 2020	Mar 31, 2019
Lease liability of land	355.49	-
	355.49	**-**

14 Provisions

	Mar 31, 2020	Mar 31, 2019
a) Provision for employee benefits		
Gratuity	142.32	102.33
Leave Benefits	39.30	28.66
	181.62	**130.99**

15 Deferred tax liabilities (net)

	Mar 31, 2020	Mar 31, 2019
a) Deferred tax liability:		
Arising out of temporary difference in depreciable assets	411.56	596.69
b) Deferred tax assets:		
Provision for expected credit loss	(7.32)	(3.83)
Lease liabilities	(1.79)	-
Tax disallowances	(47.64)	(49.23)
Net deferred tax liability	**354.81**	**543.63**

Current liabilities

16 Borrowings (at amortised cost)

	Mar 31, 2020	Mar 31, 2019
Secured		
Cash credit from banks	-	4,385.67
(Secured by creating primary charges on stocks and book debts)		
	-	**4,385.67**

Particulars	Mar 31, 2020 (Rs. In Lacs)	Mar 31, 2019 (Rs. In Lacs)
17 **Current trade payables**		
a) Trade payables		
Total outstanding dues of micro and small enterprises	5,991.28	2,432.68
Total outstanding dues of creditors other than micro and small enterprises	15,242.93	20,947.39
	21,234.21	**23,380.07**

Details of dues to micro and small enterprises as defined under MSMED Act, 2006	**Mar 31, 2020 (Rs. In Lacs)**	**Mar 31, 2019 (Rs. In Lacs)**
Principal amount due	5,991.28	2,432.68
Interest due on above	-	-
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	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-

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

Particulars	Mar 31, 2020	Mar 31, 2019
18 **Other financial liabilities**		
Security deposits received	151.73	222.20
Capital Creditors	238.19	5.13
Lease liability of land	35.16	-
Other payables	108.94	143.54
	534.02	**370.87**
19 **Current tax liability**		
Current tax liability (net of taxes paid)	-	131.91
	-	**131.91**
20 **Other current liabilities**		
Advance from customers	2.25	-
Duties, taxes and other statutory dues payable	432.68	1,306.50
	434.93	**1,306.50**
21 **Provisions**		
Provision for employee benefits		
Gratuity	4.61	5.56
Leave Benefits	1.43	1.22
Others		
Provision for tax (net of prepaid)	36.69	36.69
Provision for sales return	1.64	3.09
	44.37	**46.56**

(Rs. In Lacs)

Particulars	**Opening Balance**	**Additions during the year**	**Amt. Paid/ Reversed during the year**	**Closing Balance**
Provision for sales return	3.09	1.64	3.09	1.64
(Previous year)	8.67	3.09	8.67	3.09

	Mar 31, 2020 (Rs. In Lacs)	Mar 31, 2019 (Rs. In Lacs)
22 **Revenue from operations**		
Revenue from operations		
Sale of products	198,795.43	204,420.38
Job work charges	2,180.41	2,425.67
Other operating revenue		
Sale of scrap	1,192.33	1,114.16
Export Incentive	50.66	2.95
	202,218.83	**207,963.16**

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

1 **Revenue disaggregation based on :**

	Mar 31, 2020	Mar 31, 2019
(a) **Category of good and services**		
Lead Alloy	198,795.43	204,420.38
Jobwork and Other Services	2,180.41	2,425.67
	200,975.84	**206,846.05**
(b) **Geographical region**		
India	198,728.40	206,688.16
International	2,247.44	157.89
	200,975.84	**206,846.05**

2 **Major customers. - Exide Industries Limited**

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

	Mar 31, 2020	Mar 31, 2019
23 **Other income**		
Interest income	6.52	4.96
Interest accounted on EIR basis	0.75	-
Other Income - Sundry Income written back	-	4.44
Other Income - Profit on Sale of Assets	0.40	-
Insurance claim received	0.31	7.35
Other non operating income	-	2.80
	7.98	**19.55**
24 **Cost of raw material and components consumed**		
Inventory at the beginning of the year	8,881.72	8,941.89
Add : Purchases	186,532.69	193,861.63
	195,414.41	202,803.52
Less : Inventory at the end of the year	8,971.07	8,881.72
	186,443.34	**193,921.80**

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

	Mar 31, 2020	Mar 31, 2019
25 **(Increase) / decrease in inventories of finished goods and work-in - progress**		
WIP Inventory at the beginning of the year	6,365.14	2,876.40
WIP Inventory at the end of the year	(2,566.57)	(6,365.14)
FG Inventory at the beginning of the year	596.77	3,991.57
FG Inventory at the end of the year	(2,110.88)	(596.77)
	2,284.46	**(93.94)**

The inventory cost of finished goods during the year includes write down of Rs. 44.11 lacs (P.Y. Rs. 6.27 lacs)

	Mar 31, 2020	Mar 31, 2019
26 **Employee benefits expense**		
Salaries, wages and bonus	2,397.58	2,285.79
Contribution to provident and other funds	114.20	83.42
Staff welfare expenses	200.81	170.34
	2,712.59	**2,539.55**

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.

	Mar 31, 2020	Mar 31, 2019
27 **Finance costs**	**(Rs. In Lacs)**	**(Rs. In Lacs)**
Interest on debts and borrowings	33.52	155.08
Interest on direct taxes	0.00	3.05
Interest on indirect taxes	-	9.32
Interest on lease liability (refer note 4C)	18.56	-
Interest on others	0.35	-
	52.43	**167.45**
28 **Depreciation and amortization expense**		
Depreciation	561.60	657.70
Amortisation of intangible asset	0.41	0.48
	562.01	**658.18**
29 **Other expenses**		
Consumption of Stores and Spares	669.71	740.85
Consumption of Chemical and Fluxes	1,573.98	1,716.36
Power and fuel	3,479.29	3,615.94
Hire charges	218.59	272.52
Watch & ward expenses	123.59	124.85
Waste management expenses	448.71	455.61
Remuneration to Auditors		
- Audit fees	12.50	10.00
- Tax audit	2.00	2.00
- Other services	2.50	9.75
- Out of pocket expenses	1.24	2.09
Bank charges	57.27	28.89
Foreign exchange loss	174.22	0.57
Provision for lifetime expected credit loss	29.07	-
Freight outward	1,429.63	1,381.15
Repairs and maintenance		
- Machinery	258.37	188.24
- Building	17.53	58.20
- Others	63.96	53.15
Rent	13.84	22.20
Rates and taxes	25.59	46.47
Donation	-	0.78
CSR Expenses	54.27	58.52
Insurance	42.50	36.35
Communication	14.33	12.21
Conveyance	24.01	52.33
Printing and stationery	8.31	13.49
Professional and consultancy charges	74.40	81.36
Vehicle maintenance	30.29	15.14
Fines and penalties	-	1.00
Miscellaneous expenses	11.50	20.28
Total	**8,861.20**	**9,020.30**
Break-up of miscellaneous expenses		
Guest house maintenance	2.46	2.49
Membership and subscriptions	2.14	6.18
General expenses	6.90	11.61
	11.50	**20.28**

a) **Disclosure on CSR Activity**

(a) Gross amount required to be spent by the Company during the year: Rs. 54.27 lacs (P.Y. Rs. 58.52 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
		2019-20 (Rs. in lacs)	
Promoting Education	41.90	-	41.90
Employee volunteering activity	0.37	-	0.37
Making available safe drinking Water	12.00	-	12.00
Total	**54.27**	**-**	**54.27**

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
	58.52	**-**	**58.52**

30 **Tax expenses**

Reconciliation of statutory rate of tax and effective rate of tax	**2019-20 (Rs. in lacs)**	**2018-19 (Rs. in lacs)**
Current taxes	416.00	739.00
Short/ (excess) provision of income tax	-	(117.73)
Deferred tax income	(188.81)	(85.13)
	227.19	**536.14**
Current taxes		
Accounting profit before income tax	1,310.78	1,769.36
At India's statutory income tax rate	25.17%	34.94%
Tax on long term capital gain	23.30%	23.29%
Tax on profit	329.90	618.29
Effect of non deductible expense	186.24	304.16
Effect of deductible expenses and set off of losses	(100.13)	(183.45)
	416.00	**739.00**
Short / excess provision of earlier years	-	(117.73)

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

Particulars	**Opening**	**Recognised in profit and loss**	**Recognised in Other Comprehensive Income**	**Closing**
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)**
Property, Plant and Equipment	(596.69)	185.13	-	(411.56)
Employee benefits	45.26	(9.19)	-	36.07
Expected credit loss	3.84	3.48	-	7.32
Remeasurement gain/(loss) on defined benefit plans	3.96	-	7.61	11.57
Lease rent	0.00	1.79	-	1.79
As at March 31, 2020	**(543.63)**	**181.20**	**7.61**	**(354.81)**

Deferred tax recognized in P & L during the year includes Rs. 116. 81 lacs due to tax rate changes.

31 **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	2019-20	2018-19
Profit after tax (Rs. in lacs)	1,075.98	1,231.03
Total number of equity shares outstanding (Nos.)	47,380,952	47,380,952
Weighted average no. of shares outstanding (Nos.)	47,380,952	47,120,678
Nominal value of equity share (Rs.)	10.00	10.00
Earnings per share (Rs.)	2.27	2.61

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

Particulars	2019-20	2018-19
Nominal value of equity share (Rs.)	10	10
For Basic & Dilutive EPS		
Total number of equity shares outstanding at the beginning of the year	47,380,952	42,380,952
Add: Issue of shares	-	5,000,000
Weighted average number of equity shares outstanding	-	4,739,726
Total number of equity shares outstanding at the end of year	47,380,952	47,380,952
Weighted average number of equity shares at the end of the year	47,380,952	47,120,678

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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. 146.92 lacs (P.Y. Rs. 107.89 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, 2020 (Rs. in lacs)**	**As at March 31, 2019 (Rs. in lacs)**
Expense recognised in Statement of Profit and Loss		
Current service cost	12.82	10.99
Past service cost	-	-
Service cost	**12.82**	**10.99**
Net interest on net defined benefit liability / asset	7.65	6.09
Total	**20.47**	**17.08**
Expense recognised in Other Comprehensive Income		
Actuarial gains / (losses)	(30.23)	(6.21)
Net asset / liability recognised in Balance Sheet		
Present value of defined benefit obligation	146.92	107.89
Fair value of plan assets	-	-
	146.92	**107.89**
Change in obligation during the year		
Present value of defined benefit obligation at the beginning of the year	107.89	89.31
Current service cost	12.82	10.99
Interest cost	7.65	6.09
Benefits paid	(11.67)	(4.71)
Actuarial (gains) / losses	30.23	6.21
Present value of defined benefit obligation at the end of the year	**146.92**	**107.89**

The principal assumptions used in determining the gratuity obligations are as follows :

Financial assumptions		
Discount rate	6.70%	7.50%
Salary escalation rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	2%	2%
Mortality rate	Ind Assured Lives Mortality (2006-08) (modified) Ult	Ind Assured Lives Mortality (2006-08) (modified) Ult
Sensitivity analysis		
Discount rate		
Effect on defined benefit obligation due to 1% increase in discount rate	(9.00)	(9.78)
Effect on defined benefit obligation due to 1% decrease in discount rate	11.00	11.39
Salary escalation		
Effect on defined benefit obligation due to 1% increase in salary escalation rate	11.00	11.57
Effect on defined benefit obligation due to 1% decrease in salary escalation rate	(9.00)	(10.09)

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 single customer is Rs. 1,94,259 Lacs which is approximately 96% of total revenue of the Company.

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)
Nupur Roy Choudhury	Director (w.e.f. Nov 27, 2018)

II **Transactions**

Particulars	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Purchase of goods	39,873.04	45,661.32
GST	7,197.98	8,228.75
Exide Industries Limited	47,071.02	53,890.07
Sales of goods	192,077.42	199,359.05
GST collected	38,471.33	39,965.27
Freight recovered	804.04	748.04
Exide Industries Limited	231,352.79	240,072.36
Job work charges received	2,182.04	2,346.93
GST	392.77	420.61
Exide Industries Limited	2,574.81	2,767.54
Sales of goods	2,247.44	157.89
Associated Battery Manufacturers (Ceylon) Limited	2,247.44	157.89
Dividend paid	947.62	473.81
Exide Industries Limited	947.62	473.81
Equity financing	-	3,500.00
Exide Industries Limited	-	3,500.00

Particulars	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Remuneration to key managerial personnel		
a) Short term employee benefits		
U. B. Agarwal		37.18
b) Post employment benefits		
U. B. Agarwal	-	2.85
	-	40.03
Reimbursement of expenses		
Exide Industries Limited	37.11	18.14
Balances as on March 31		
Net Receivable		
Exide Industries Limited	-	14,149.10
Associated Battery Manufacturers (Ceylon) Limited	631.81	49.50
Net Payable		
Exide Industries Limited	174.68	-

The Company's related party transactions during the year ended March 31, 2020 and March 31, 2019 and outstanding balances as at March 31, 2020 and March 31, 2019 are with its Holding Company with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business

35 **Contingent liabilities and commitments**

Particulars	March 31, 2020 (Rs. in lacs)	March 31, 2019 (Rs. in lacs)
Contingent liabilities		
(a) Bank guarantees given on behalf of Company	493.03	190.85
(b) Disputed tax dues for which the company is contingently liable	65.73	43.46

Particulars	March 31, 2020 (Rs. in lacs)	March 31, 2019 (Rs. in lacs)
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	6,391.36	4,239.61
(b) Purchase orders backed by LC opened by bankers.	5,651.34	10,760.90
Total		

36 **Reconciliation of Liabilities from Financing Activities**

Particulars	Year	Opening Balance	Cash Changes	Non-cash changes	Closing balance
Borrowings	2019-20	4,385.67	4,385.67	-	-
	2018-19	6,273.95	1,888.28	-	4,385.67
Lease Liability ROU assets	2019-20	206.21	44.52	18.56	180.24
	2018-19	-	-	-	-

37 **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.

38 **Financial instruments**

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 is as follows:

		Carrying Value		Fair Value	
		March 31, 2020	31-Mar-19	March 31, 2020	March 31, 2019
		(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
a)	**Financial assets**				
	Amortised Cost				
	Trade receivables	2,133.12	14,325.76	2,133.12	14,325.76
	Others	140.98	146.33	140.98	146.33
	Cash and cash equivalents	850.23	13.88	850.23	13.88
	Total Financial Assets	**3,124.33**	**14,485.97**	**3,124.33**	**14,485.97**
b)	**Financial liabilities**				
	Borrowings	-	4,385.67	-	4,385.67
	Trade payables	21,234.20	23,380.07	21,234.20	23,380.07
	Others	1,069.75	370.87	1,069.75	370.87
	Total Financial Liabilities	**22,303.96**	**28,136.61**	**22,303.96**	**28,136.61**

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.

39 **Financial risk management objectives and policies**

The Company's financial liabilities comprise short-term borrowings, capital creditors and trade and other payables.
The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and investment.
The market risks and credit risks are further explained below:

Financial risk factors

i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and commodity price risk
The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) **Exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However the Company operates only in the domestic market catering mainly to its holding company's lead alloy requirements for their storage battery manufacture. The Company's risk exposure to foreign exchange is limited to its sourcing the Raw Material internationally and selling the lead alloys to its fellow subsidiary. Such foreign currency exposures are not hedged by the Company.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in Rate	Foreign Currency Payable (Net)	Effect on Profit before tax
	%	(Rs. in lacs)	(Rs. in lacs)
31-Mar-20	5%	3,236.29	(161.81)
	-5%		161.81
31-Mar-19	5%	49.50	(2.47)
	-5%		2.47

Foreign exchange transactions

Un-hedged foreign currency exposure

Particulars	Currency	31-Mar-20	31-Mar-19
Trade Receivables	USD	895,637.00	72,843
Trade Payable	USD	5,081,375.00	-
Capital Advance	EURO	3,429,500.00	-

b) **Commodity Price Risk**

The primary market risk to the Company is commodity price risk. However the Company primarily supplies to the holding company and its pricing mechanism for its products are linked to the LME prices of Lead that is the main raw material for the Company. The Company has not had any significant losses on account of price change risks arising out of changes in the price of Lead. The Company's main customer, being its holding company, is however subject to commodity price changes but the Company's arrangement does not affect the transfer price between the Company and the holding company.

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

ii) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 1596.58 lacs (PY Rs.14,198.60 lacs), which is majorly from the holding company. The credit period agreed from the holding company is 30 days and there have been no significant delays by the holding company in honoring the contractual terms.

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

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

Age of Receivables	**March 31, 2020**	**March 31, 2019**
	(Rs. in lacs)	**(Rs. in lacs)**
Holding Company		
Within the credit period	1,596.58	14,198.60
More than 180 days due	-	-
Others		
Within the credit period	536.54	84.45
Overdue amount	62.03	86.65

Movement in the expected credit loss allowance	**March 31, 2020**	**March 31, 2019**
Particulars	**Current**	**Current**
	(Rs. in lacs)	**(Rs. in lacs)**
Balance at the beginning of the period	43.94	43.94
Reversal of earlier expected credit loss and recognition of bad debts	10.98	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	29.07	-
Provision at the end of the period	**62.03**	**43.94**

iii) **Liquidity risk**

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

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

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

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The working capital position of the company is given below:

Particulars	**March 31, 2020**	**March 31, 2019**
Cash and cash equivalent	3.51	6.75
Bank balance	846.72	7.13
Current financial assets	3.75	-
Inventory	13,794.75	16,058.43
Trade receivables	2,133.12	14,325.76
Other Current assets	1,304.85	1,345.08
Total	**18,086.70**	**31,743.15**
Less:		
Short term borrowings	-	4,385.67
Current financial liabilities	534.02	370.87
Lease Liability ROU assets	28.30	-
Trade payables	21,234.20	23,380.07
Total	**21,796.52**	**28,136.61**
Total	**(3,709.82)**	**3,606.54**

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

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings	-	-	-	-
Other financial liabilities	534.02	88.69	266.80	622.71
Lease Liability ROU assets	28.30	151.95	-	180.24
Trade payables	21,234.20	-	-	21,234.20
Total	**21,796.52**	**240.64**	**266.80**	**22,037.15**
As at March 31, 2019				
Borrowings	4,385.67	-	-	4,385.67
Trade payables	23,380.07	-	-	23,380.07
Other financial liabilities	370.87	-	-	370.87
Lease				
Total	**28,136.61**	**-**	**-**	**28,136.61**

iv) **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.

40 The spread of Covid-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Based on detailed assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with vendors and service providers, the Management is confident of obtaining regular supply of raw materials and logistics services after restarting of the plant. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

41 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

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

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

Sd/-

N. Jayendran
Partner
M.No. 40441

Place : Mumbai
Date : 22.05.2020

For and on behalf of the Board of Directors

Sd/-
A. K. Mukherjee
DIN 000131626
Director

Sd/-
Arun Mittal
DIN 00412767
Director

Sd/-
A. K. Choudhury
Chief Financial Officer

Sd/-
Seema Bajaj
Company Secretary

Place : Kolkata
Date : 22.05.2020