

**CHLORIDE POWER  
SYSTEMS & SOLUTIONS LIMITED**

**Balance Sheet  
and  
Auditors' Report**

**2019-20**

**AUDITORS :**

**SURENDRA DIDWANIA & CO.**

Chartered Accountants  
19, Synagogue Street  
City Centre, 3<sup>rd</sup> Floor  
Kolkata – 700 001



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**

We have audited the accompanying Ind AS financial statements of **Chloride Power Systems & Solutions Limited**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (collectively referred to as 'Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

**Going Concern Section**

**Material Uncertainty Relating to Going Concern**

We draw attention to Note 39 in the financial statements, which indicates that the Company incurred a net loss of Rs 2033.79 Lacs during the year ended 31<sup>st</sup> March, 2020 and, as of that date, the Company's current liabilities exceeded its total assets. The Company's management has represented that loss for the year has occurred due to Company entering into some big contracts on competitive bidding basis. The Company management has also represented that surplus from operation in subsequent years will be enough to wipe out accumulated losses and there is no threat to the going concern as on date.

The financial statements of the Company have been prepared on a going concern basis for the reasons stated in the Note No 39. Our opinion is not modified in respect of this matter.



## **Key Audit Matters**

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

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

## **Other Information**

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

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

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

## **Responsibility of the Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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



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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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

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


- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statement comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;



- e. On the basis of written representations received from the directors as at March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2020 from being appointed as a director in terms Section 164 (2) of the Act;
- f. With regard to adequacy of internal financial control system over financial reporting over the Company and operating effectiveness of such controls refer to our separate report in "Annexure- B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of information and according to the explanations given to us;
  - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note No 41 to the financial statements.
  - ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) The clause relating to transfer of amounts required to be transferred to the Investors Protection Fund is not applicable to the Company.



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

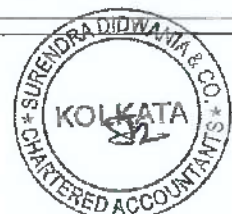
  
**S. K. Didwania**  
*Proprietor*  
Membership No. 56954

Place : Kolkata  
Date : 27<sup>th</sup> day of May, 2020  
UDIN : 20056954AAAADG9800

### Annexure - A to the Auditors' Report

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

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
b. Physical verification of fixed assets is covered under a scheme of verification over a period of three years. As informed to us no serious discrepancy was noticed on such verification during the period.  
  
c. The Company does not own any freehold immovable property. Lease Deeds in respect of immovable property at Salt Lake works is duly registered in the name of the Company.
- ii. The stock of Finished Goods, Traded Goods, Work-In-Progress and Raw Materials has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Hence the provisions of clause 3 (iii) (a) to (c) of the order are not applicable.
- iv. In our opinion and according to information and explanations given, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and Security, wherever applicable.
- v. The Company has not accepted any deposit from the public within the meaning of sections 73 of the Companies Act, 2013. Hence the provisions of clause 3 (v) of the order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. The Company has been regular in depositing undisputed statutory dues including provident fund and employees' state insurance, income tax, sales tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities.  
  
b. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of income tax, sales tax, duty of customs, duty of excise, goods and goods and service tax at 31<sup>st</sup> March, 2020 which were outstanding for period of more than six months from the date they become payable.  
  
c. According to the records of the Company, the following amounts in respect of sales tax & duty of excise being disputed have not been deposited:



Name of Statute	Nature of Dues	Amount of Demand (Amount in Rs)	Period for which the amount relates	Forum where Dispute is pending
West Bengal VAT Act	Demand Relating to Input Vat Credit disallowance	4,25,090/-	2005-06	Revision Board – West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	5,63,550/-	2005-06	Revision Board – West Bengal
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	2,14,50,598/-	2014-15	Commissioner Appeals
The Central Sales Tax Act	Demand Relating to Non-Submission of Forms	1,07,67,909/-	2016-17	Commissioner Appeals

- viii. The Company has not defaulted in repayment of dues to the Banks. The Company has not taken any loan from Financial Institutions. The Company has not issued any Debentures. Accordingly the provisions of clause 3 (viii) of the order are not applicable.
- ix. The Company has not raised any money by way of initial public offer or further public offer. Based on the information and explanations given to us by the management, short term loans were applied for the purpose for which the loans were obtained.
- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the course of our audit.
- xi. As informed by the management and verified by us no managerial remuneration is paid to any of the of the directors or other managerial persons designated at such, by the Company during the year.
- xii. As informed by the management the Company is not a Nidhi Company. Hence the provisions of this clause 3 (xii) are not applicable to the Company.
- xiii. As represented by the management provisions of section 177 and 188 of Companies Act' 2013 were complied with in respect of all transactions with related parties and the details of such transactions have been disclosed vide note to the Ind AS financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential or private placement of shares or fully or partly paid convertible debentures during the year under review. Hence the provisions of section 42 of the Companies Act' 2013 are not applicable to the Company for the Year.





- xv. Based on the audit procedures performed and information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or other persons connected with them. Accordingly the provisions of clause 3 (xv) of the order are not applicable.
- xvi. As represented by the management the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.



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

*S. K. Didwania.*  
**S. K. Didwania**  
Proprietor  
Membership No. 56954

Place : Kolkata  
Date : 27<sup>th</sup> day of May, 2020

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Chloride Power Systems & Solutions Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind As 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded



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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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



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

*S. K. Didwania*  
**S. K. Didwania**  
Proprietor  
Membership No. 56954

Place : Kolkata

Date : 27<sup>th</sup> day of May, 2020

**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**  
**Balance sheet as at 31st March 2020**

	Note no.	As at 31 March 2020	( Rupees in Lacs) As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	566.02	609.56
Intangible Assets	5	32.50	43.42
<b>Financial assets</b>			
- Loans and advances	6	51.59	47.03
Other Non-Financial Assets	7		0.40
Deferred tax Assets (Net)	14	712.31	
<b>Current assets</b>			
Inventories	8	1,551.02	1,533.36
<b>Financial assets</b>			
- Trade receivables	9	3,577.76	5,067.03
- Cash and cash equivalents	10	50.82	37.82
- Loans and advances	6	0.30	1.19
Other Non-Financial Assets	7	802.53	611.75
<b>TOTAL</b>		<b>7,344.85</b>	<b>7,951.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	11	198.00	198.00
Other equity	12	(672.51)	1,361.28
<b>Non-current liabilities</b>			
Provisions	13	112.03	59.31
Deferred tax liabilities (Net)	14		6.16
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	15	1,981.89	782.19
- Trade payables	16		
Outstanding Dues of Micro and Small Enterprises		133.82	402.13
Outstanding Dues of others		4,046.87	4,520.57
- Other payables	17	943.15	328.57
Provisions	13	25.49	21.21
Other Non-Financial liabilities	18	576.11	272.14
<b>TOTAL</b>		<b>7,344.85</b>	<b>7,951.56</b>


**Significant accounting policies**

**3**

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

As per our report of even date attached

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

  
**S K. Didwania**  
Proprietor  
Membership No. 56954  
Place : Kolkata  
Date : May 27, 2020



Sd/-  
Asish Kumar Mukherjee  
Director

DIN - 00131626

Sd/-  
**Arun Mittal**  
Director  
DIN - 00412767



## CHLORIDE POWER SYSTEMS &amp; SOLUTIONS LIMITED

## Statement of Profit and Loss for the year ended 31st March ,2020

				( Rupees in Lacs )
Particulars		Note no.	For the year ended 31 March 2020	For the year ended 31 March 2019
I)	INCOME			
	Revenue from operations	19	7,608.63	11,661.94
	Other income	20	4.06	5.16
	<b>Total Income (I)</b>		<b>7,612.69</b>	<b>11,667.10</b>
II)	EXPENSES			
	Cost of materials consumed	21	2,408.26	3,327.80
	Purchase of stock-in-trade	21	4,079.10	5,883.88
	(Increase) / Decrease in inventories of finished goods, work in progress and stock-in-trade	22	(136.70)	(341.89)
	Employee benefits expense	23	1,461.66	1,376.25
	Other expense	26	2,281.49	1,090.85
	<b>Total expenses (II)</b>		<b>10,093.81</b>	<b>11,336.89</b>
III)	<b>Earnings before interest, tax , depreciation and amortisation expenses (I-II)</b>		<b>(2,481.12)</b>	<b>330.21</b>
	Finance cost	24	182.10	73.44
	Depreciation and amortisation expense	25	69.56	53.23
IV)	<b>Interest, depreciation and amortisation</b>		<b>251.66</b>	<b>126.67</b>
V)	<b>Profit/ (loss) before tax ( III-IV)</b>		<b>(2,732.78)</b>	<b>203.54</b>
VI)	Tax expense			
	a) Current tax	28	-	54.50
	b) Deferred tax		(714.23)	0.59
			(714.23)	55.09
VII)	<b>Profit/ (loss) for the year (V-VI)</b>		<b>(2,018.55)</b>	<b>148.45</b>
VIII)	Other comprehensive income (OCI)			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit liability / assets		(19.48)	6.56
	- Income tax relating to items that will be reclassified to profit or loss		4.24	(3.41)
	<b>Other comprehensive income for the year (VIII)</b>		<b>(15.24)</b>	<b>3.15</b>
IX)	<b>Total comprehensive income for the year</b>		<b>(2,033.79)</b>	<b>151.60</b>
	Paidup Equity Share Capital		198.00	198.00
	Weighted average number of equity shares		19,80,000	19,80,000
	Earnings per equity share			
	a) Basic (Rs.)		(102.72)	7.66
	b) Diluted (Rs.)		(102.72)	7.66

## Significant Accounting Policies

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

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



*S. K. Didwania*  
S K. Didwania  
Proprietor  
Membership No. 56954  
Place : Kolkata  
Date : May 27, 2020

For and on behalf of the Board of Directors

Sd/-  
Asish Kumar Mukherjee  
Director00131626

Sd/-  
Arun Mittal  
Director  
DIN - 00412767

**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**
**Cash Flow Statement for the year ended 31st March, 2020**

	Particulars	12 Months ended 31st March 2020 (Rs. in Lacs)	12 Months ended 31st March 2019 (Rs. in Lacs)
A.	<b>Cash Flow from operating activities</b>		
	Net Profit / Loss before taxation and extra ordinary items	(2,732.78)	203.54
	Adjusted for :		
	Depreciation	69.56	53.23
	Dividend Income	-	(0.44)
	Interest Income	(0.37)	(0.69)
	Interest Expense	182.10	73.44
	(Profit) / Loss on Sale of Fixed Assets	2.28	(0.01)
	<b>Operating profit before working capital change</b>	<b>(2,479.21)</b>	<b>329.07</b>
	Adjusted for :		
	Trade & other receivables	1,315.24	(2,296.22)
	Inventories	(17.66)	(407.04)
	Long Term Provisions	52.72	(17.73)
	Short Term Provisions	4.28	7.30
	Trade payable	157.03	2,519.74
	<b>Cash generated from operation</b>	<b>(967.60)</b>	<b>135.12</b>
	Income Tax (Paid)	(20.00)	(73.71)
	Cash Flow from operation before prior period & extra ordinary items	(987.60)	61.41
	Prior period & extra ordinary items paid	-	-
	<b>Net Cash from operating activities (A)</b>	<b>(987.60)</b>	<b>61.41</b>
B	<b>Cash Flow from investing activities</b>		
	Purchase of Fixed Assets / Investments	(17.60)	(146.75)
	Sale of Fixed Assets	0.23	0.16
	Dividend Received	-	0.44
	Sale of Investments	-	242.09
	Purchase of Investments	-	-
	<b>Net Cash Flow from investing activities ( B)</b>	<b>(17.37)</b>	<b>95.94</b>
C	<b>Cash Flow from Financing activities</b>		
	Proceeds from / (Repayment of ) Short term borrowings	1,199.70	13.90
	Dividend Paid	-	(83.54)
	Interest Received / (Paid)	(181.73)	(72.75)
	<b>Cash Flow from Financing activities</b>	<b>1,017.97</b>	<b>(142.39)</b>
D	<b>Net increase/(decrease) in cash &amp; cash equivalent</b>	<b>13.00</b>	<b>14.96</b>
E	<b>Cash &amp; cash equivalent at the beginning</b>	<b>37.82</b>	<b>22.86</b>
F	<b>Cash &amp; cash equivalent at the closing</b>	<b>50.82</b>	<b>37.82</b>

**Significant Accounting Policies**

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

As per our report of even date attached

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

*S. K. Didwania*  
S K. Didwania  
Proprietor  
Membership No. 56954  
Place : Kolkata  
Date : May 27, 2020



For and on behalf of the Board of Directors

Sd/-  
Asish Kumar Mukherjee  
Director  
DIN-00131626

Sd/-  
Arun Mittal  
Director  
DIN - 00412767

**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**

**Statement of changes in equity for the year ended 31st March, 2020**

( Rupees in Lacs )

**A) Equity Share Capital**

**19,80,000 Equity Shares of INR 10 each issued, subscribed and fully paid**

	Number	Amount
On April 1, 2018	19,80,000	198.00
Changes in equity share capital during the year		-
<b>Balance at March 31, 2019</b>	<b>19,80,000</b>	<b>198.00</b>
Changes in equity share capital during the year		-
<b>Balance at March 31, 2020</b>	<b>19,80,000</b>	<b>198.00</b>

**B) Other Equity**

Particulars	Retained Earnings		Total
	Retained Earnings	Remeasurement of Defined Benefit Plan	
<b>Balance at April 1, 2018</b>	<b>1,314.39</b>	<b>(21.17)</b>	<b>1,293.22</b>
Profit for the year	148.45		148.45
Remeasurement of Defined Benefit Liability / assets (net of tax)	-	3.15	3.15
	<b>1,462.84</b>	<b>(18.02)</b>	<b>1,444.82</b>
<b>Adjustments</b>			
Payment of Interim dividend (Rs 5.00 per share)	(69.30)	-	(69.30)
Tax on interim dividend	(14.24)	-	(14.24)
<b>Balance at March 31, 2019</b>	<b>1,379.30</b>	<b>(18.02)</b>	<b>1,361.28</b>
Profit for the year	(2,018.55)		(2,018.55)
Remeasurement of Defined Benefit Liability / assets (net of tax)	-	(15.24)	(15.24)
	<b>(639.25)</b>	<b>(33.26)</b>	<b>(672.51)</b>
<b>Adjustments</b>			
Payment of Interim dividend	-	-	-
Tax on interim dividend	-	-	-
<b>Balance at March 31, 2020</b>	<b>(639.25)</b>	<b>(33.26)</b>	<b>(672.51)</b>

**Significant Accounting Policies**

2

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

As per our report of even date attached

**Surendra Didwania & Co.**

Firm Reg. Number: 322745 E

Chartered Accountants

*S. K. Didwania*

**S K. Didwania**

Proprietor

Membership No. 56954

Place : Kolkata

Date : May 27, 2020



For and on behalf of the Board of Directors

Sd/-

Asish Kumar

Mukherjee

Director

DIN - 00131626

Sd/-

**Arun Mittal**

Director

DIN - 00412767

**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

**1 Corporate Information**

The company is a 100 % Subsidiary Company of Exide Industries Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Exide House, 59E Chowringhee Road, Kolkata, 700020. The Company is primarily engaged in the manufacturing of and sale of Battery Chargers and trading in Industrial Batteries and Renewable Energy Devices.

**2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with measurement and recognition principles of Indian Accounting Standards ("Ind-AS") as issued by the Ministry of Corporate Affairs ("MCA").

The financial statements for the year ended 31 March 2020 with comparative figures for the year ended 31 March 2019 has been prepared in accordance with Ind AS. The Ind AS are prescribed under Section 133 of the Act, read together with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amended Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

**Historical Cost Convention**

The Financial Statements have been prepared on historical cost basis, except the following;

Certain financial assets and liabilities and contingent liabilities that is measured at fair value;

Assets held for sale - measured at fair value less cost to sell;

define benefit plans - plan assets measured at fair value.

**Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. 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 changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Critical Accounting Estimates:**

(i) Fair value through other profit & loss – unquoted equity investments; i.e. liquid mutual funds.

(ii) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 31 March 2020 and 31 March 2019.

**3 Significant accounting policies**

**a. Foreign Currency**

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 the same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.





## CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

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

#### b. Fair value measurement

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

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

(i) In the principal market for the asset or liability, or

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

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

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

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

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

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

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### c. Revenue Recognition

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

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, Goods and Service Tax (GST), Sales tax/ Value added tax (VAT) is not received by the Company on its own account. These are collected on behalf of the government and accordingly, it is excluded from revenue.



## CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

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

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

#### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty benefits for general repairs and replacement on almost all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold.

#### **Revenue from Services**

Revenue from installation and commissioning services is recognised in the accounting period in which the services are rendered. The Company also provides annual maintenance contract which includes certain no of man-days of services and no service is provided based on time period only. For annual maintenance contracts and repair services revenue is recognised based on actual services provided to the end of the reporting period as per pricing in the maintenance contract.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue or cost is reflected in the profit or loss in the period in which the circumstances that give rise to the revision becomes known to the management.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

#### **Dividends**

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



**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED****NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020****d. Income Taxes****Current income tax**

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

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

**Deferred tax**

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

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

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

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

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

**e. Property, plant and equipment**

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

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

Particular	Useful economic life
Factory building / Office building	28.5 years
Plant and equipment	15 years
Electrical installations & equipment and lab equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 to 6 year

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

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

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





**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED****NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020****g. 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 Company has intangible assets with finite useful lives.

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.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- (i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (ii) Its intention to complete and its ability and intention to use or sell the asset
- (iii) How the asset will generate future economic benefits
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	Finite (5 years)	Amortised on a straight-line basis over the life.	Acquired

**h. Borrowing costs**

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

**i. Leases**

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





## CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

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

#### Company as a lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note 2.1.n). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

#### j. Inventories

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

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

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

(ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.

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

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

#### k. Impairment of non-financial assets

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

#### l. Provisions

##### General

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

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



**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**

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

**Warranty provisions**

Provisions for warranty-related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received upto the year end and the management estimates of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty-related costs is revised annually.

**m. 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.

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund.

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.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year.

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

**n. Cash and cash equivalents**

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

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

**o. Cash dividend and non-cash distribution to equity holders**

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

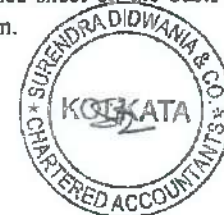


**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**
**4**
**Tangible assets**
*(Rs.in Lacs)*

	Leasehold land	Buildings	Plant & machinery	Furniture & fittings	Vehicles	Computers	Total
<b>Cost</b>							
As at 1st April 2018	228.31	287.58	226.54	62.80	6.27	66.72	878.22
Additions	-	7.60	69.01	41.18	0.37	21.70	139.86
Disposals	-	-	-	-	-	0.57	0.57
Transfers	-	-	-	-	-	-	-
As at 31st March 2019	228.31	295.18	295.55	103.98	6.64	87.85	1,017.51
			-				
Additions	-	-	2.91	6.39	0.58	-	9.88
Disposals	-	-	12.28	10.39	-	10.41	33.08
Transfers	-	-	-	-	-	-	-
As at 31st March 2020	228.31	295.18	286.18	99.98	7.22	77.44	994.31
<b>Depreciation</b>							
As at 1st April 2018	30.88	119.91	131.50	36.61	0.15	53.52	372.57
Charge for the year	2.54	9.21	9.46	7.07	1.00	6.52	35.80
on Disposals	-	-	-	-	-	0.42	0.42
As at 31st March 2019	33.42	129.12	140.96	43.68	1.15	59.62	407.95
Charge for the year	2.54	10.30	13.72	13.30	1.07	10.06	50.99
on Disposals	-	-	11.41	9.41	-	9.83	30.65
As at 31st March 2020	35.96	139.42	143.27	47.57	2.22	59.85	428.29
<b>Net Block</b>							
As at 31st March 2019	194.89	166.06	154.59	60.30	5.49	28.23	609.56
As at 31st March 2020	192.35	155.76	142.91	52.41	5.00	17.59	566.02

a. Land , Buildings and Plant & Machinery of the Company as on 31 March 2007 were revalued by the approved valuers and the surplus arising thereon, has been transferred to Revaluation Reserve.

b. Under the previous GAAP (Indian GAAP), leasehold land and buildings and Electrical installations were carried in the balance sheet on the basis of revaluations performed as at 31 March 2007. The Company has elected to regard those values as deemed cost at the date of transition.



**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED****NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020****5 Intangible assets**

	<b>Computer Software</b>	<b>Total</b>
<b>Cost</b>		
As at 1st April 2018	104.07	104.07
Additions	6.88	6.88
Disposals	-	-
As at 31st March 2019	110.95	110.95
Additions	7.73	7.73
Disposals	1.48	1.48
As at 31st March 2020	117.20	117.20
<b>Amortisation</b>		
As at 1st April 2018	50.09	50.09
Charge for the year	17.44	17.44
Disposals	-	-
As at 31st March 2019	67.53	67.53
Charge for the year	18.57	18.57
Disposals	1.40	1.40
As at 31st March 2020	84.70	84.70
<b>Net Block</b>		
As at 31st March 2019	43.42	43.42
As at 31st March 2020	32.50	32.50

Note : Computer Software represents acquired specific computer software for the specific applications. The Company has estimated the the useful life of the software to be three or five years based on the expected technical obsolescence of such assets.





**NON CURRENT ASSETS**

	Non Current March 31, 2020	Current March 31, 2020	Non Current March 31, 2019	Current March 31, 2019
<b>6 FINANCIAL ASSETS</b>				
<b>LOANS AND DEPOSITS :</b>				
Security Deposit	51.59	-	47.03	-
Loans to employees	-	0.30	-	1.19
	<b>51.59</b>	<b>0.30</b>	<b>47.03</b>	<b>1.19</b>

**7 OTHER NON FINANCIAL ASSETS**

Advances recoverable in cash or kind	-	723.60	-	584.85
Balances with Customs, Sales Tax & Excise Authorities	-	-	0.40	0.15
Prepaid Expenses	-	3.31	-	3.28
Advance Payment of Tax ( Net of Provisions)	-	75.62	-	23.47
	-	<b>802.53</b>	<b>0.40</b>	<b>611.75</b>

**8 INVENTORIES**

	March 31, 2020	March 31, 2019
Raw materials and components	-	201.91
Work-in-progress	-	519.63
Finished goods	-	190.25
Add Excise Duty	-	-
	911.79	1,221.74
Trading Goods	639.23	311.62
	<b>1,551.02</b>	<b>1,533.36</b>

**9 TRADE RECEIVABLES**

	March 31, 2020	March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	3,577.76	5,067.09
Doubtful	71.94	25.31
Less Provision for doubtful debts against unsecured considered doubtful	(71.94)	(25.31)
	<b>3,577.76</b>	<b>5,067.09</b>

(Refer Note No 35 for Related Party disclosure)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**10 CASH AND CASH EQUIVALENT**

	March 31, 2020	March 31, 2019
Balance with Banks		
On Current Account	41.10	27.83
On Deposits Account*	9.41	9.32
Cash in hand	0.31	0.67
	<b>50.82</b>	<b>37.82</b>

\* Balance with Banks held as margin money deposit against guarantees



**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2020**

	March 31, 2020		March 31, 2019	
	No.	(Rs.in Lacs )	No.	(Rs.in Lacs )
<b>11 SHARE CAPITAL</b>				
Authorised Share Capital				
At 1st April,2018	30,00,000	300.00	30,00,000	300.00
Increase/(Decrease) during the year	-	-	-	-
At 31st March,2019	30,00,000	300.00	30,00,000	300.00
Increase/(Decrease) during the year	-	-	-	-
At 31st March,2020	<b>30,00,000</b>	<b>300.00</b>	<b>30,00,000</b>	<b>300</b>
Issued equity capital				
Equity shares of INR 10 each issued, subscribed and fully paid				
At 1st April,2018	19,80,000	198.00	19,80,000	198.00
Increase/(Decrease) during the year	-	-	-	-
At 31st March,2019	<b>19,80,000</b>	<b>198.00</b>	<b>19,80,000</b>	<b>198.00</b>
Increase/(Decrease) during the year	-	-	-	-
At 31st March,2020	<b>19,80,000</b>	<b>198.00</b>	<b>19,80,000</b>	<b>198.00</b>

Terms/ rights attached to equity shares :

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

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

**Shares held by holding company / ultimate holding company**

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

	March 31, 2020		March 31, 2019	
	No.	(Rs.in Lacs )	No.	(Rs.in Lacs )
Equity shares of INR 10 each issued, subscribed and fully paid	19,80,000	198.00	19,80,000	198.00

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

	March 31, 2020		March 31, 2019	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of INR 10 each issued, subscribed and fully paid				
Exide Industries Limited	19,80,000	100	19,80,000	100

**12 OTHER EQUITY**

	March 31, 2020	March 31, 2019
a. Retained Earnings	(639.25)	1,379.30
b. Remeasurement of Defined Benefit Plan	(33.26)	(18.02)
	<b>(672.51)</b>	<b>1,361.28</b>



**13 PROVISIONS**

Provision for employee benefits (refer note 34)

(Rs.in Lacs)

	March 31, 2020	March 31, 2019
Provision for Gratuity	59.72	23.41
Provision for Leave Benefit	53.92	35.14
At 31st March, 2020	<u>113.64</u>	<u>60.55</u>
Current	1.61	1.24
Non current	112.03	59.31
<b>OTHER PROVISIONS</b>		
Provision for Warrantee ( Current)	<u>23.88</u>	<u>19.97</u>
	<u>137.52</u>	<u>80.52</u>
Current	25.49	21.21
Non current	112.03	59.31
<b>Provision for Warrantee ( Current)</b>		
At 1st April	19.97	12.90
Arising during the year	6.38	11.60
Utilised	2.47	4.53
Unused amount reversed	-	-
	<u>23.88</u>	<u>19.97</u>
Current	23.88	19.97
Non current	-	-

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranty were based on current sales level and current information available about returns based on warranty period for all products sold. The table below gives information about movement in warranty provision :

**14 DEFERRED TAX (ASSET) / LIABILITIES**

The major components of deferred income tax expense are as under;

	March 31, 2020	March 31, 2019
Deferred Tax Liabilities:		
Accelerated depreciation for tax purposes	22.24	30.05
Deferred Tax Assets:		
Contribution to Employees Gratuity Fund	(3.84)	(0.12)
Leave Salary	(13.57)	(9.78)
Accumulated loss	(587.84)	-
Provision For Doubtful Debt/Advances	(18.11)	(7.04)
	<u>(723.36)</u>	<u>(16.94)</u>
Deferred tax (assets) / liabilities recognised in profit & loss	<u>(701.12)</u>	<u>13.11</u>
Deferred tax (assets) / liabilities recognised in OCI	(11.19)	(6.95)
	<u>(712.31)</u>	<u>6.16</u>

Deferred Tax Balance recognised in Statement of Profit &amp; Loss

	2019-20	2018-19
Accelerated depreciation for tax purposes	(7.81)	(0.91)
Deferred Tax Assets:		
Contribution to Employees Gratuity Fund	(3.72)	(0.70)
Leave Salary	(3.79)	2.16
Accumulated loss	(587.84)	-
Provision For Doubtful Debt/Advances	(11.07)	0.04
	<u>(714.23)</u>	<u>0.59</u>



	March 31, 2020	March 31, 2019
<b>Reconciliation of Deferred Tax Balance recognised in Balance Sheet</b>		
Opening Balance as on 1st April	6.16	2.16
Tax income/(expense) during the period recognised in profit or loss	(714.23)	0.59
Tax income/(expense) during the period recognised in OCI	(4.24)	3.41
	<u>(712.31)</u>	<u>6.16</u>

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

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

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

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

<b>15 BORROWING SHORT TERM</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Cash Credit from ICICI Bank	1,981.89	782.19
Interest Rate	9.65	10.50
Maturity	on demand	on demand
	<u>1,981.89</u>	<u>782.19</u>
The Cash Credit facility shall be utilized by the company for meeting its working capital requirement. (Secured by hypothecation of Raw Materials, Finished Stock, Work-in-Progress, Book Debts & other receivables. )		
<b>16 TRADE PAYABLE</b>		
Trade payable for goods & services & Acceptances	4,180.69	4,922.70
(Refer Note No 35 for Related Party disclosure)	<u>4,180.69</u>	<u>4,922.70</u>
(Refer Note No 40 for detailed disclosure under MSMED)		
<b>17 OTHER PAYABLE</b>		
Withheld / Collected Taxes and duties payable	12.92	14.53
Accrued Salaries and Benefits	23.12	22.14
Others	907.11	291.90
	<u>943.15</u>	<u>328.57</u>
<b>18 OTHER NON-FINANCIAL LIABILITIES</b>		
Advances from customers	573.36	228.06
Other Payable for Capital Goods	2.75	44.08
	<u>576.11</u>	<u>272.14</u>



**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**

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

	2019-20	2018-19
	(Rs in Lacs)	(Rs in Lacs)
<b>19 REVENUE FROM OPERATION</b>		
Sale of products		
Finished Goods	3,733.39	4,752.58
Traded Goods	3,172.07	6,056.96
Sale of services	694.34	833.57
-Scrap sales	8.83	18.83
	<b>7,608.63</b>	<b>11,661.94</b>

Sales are net of price adjustments for earlier years, settled during the year by the Company and discounts, trade incentives etc.

<b>20 OTHER INCOME</b>		
Interest Income on		
- Bank deposits	0.37	0.53
- Others	-	0.16
Dividend Income on Short Term Investments	-	0.44
Foreign exchange gain (Net)	3.57	1.71

Other non-operating income

Other Miscellaneous Income	0.12	2.32
	<b>4.06</b>	<b>5.16</b>

**21 COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

Opening Stock	320.95	255.80
Add: Purchases	2,289.22	3,392.95
	2,610.17	3,648.75
Less: Closing Stock	201.91	320.95
	<b>2,408.26</b>	<b>3,327.80</b>

DETAILS OF PURCHASE OF GOODS

Storage Batteries	1,321.19	1,126.86
Solar	2,757.91	4,757.02
	<b>4,079.10</b>	<b>5,883.88</b>

(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND
**22 STOCK IN TRADE**
OPENING STOCK

Work-in-progress	765.21	579.10
Finished goods	135.58	79.73
Trading Goods:	311.62	211.69
	<b>1,212.41</b>	<b>870.52</b>

CLOSING STOCK

Work-in-progress	519.63	765.21
Finished goods	190.25	135.58
Trading Goods	639.23	311.62
	<b>1,349.11</b>	<b>1,212.41</b>

	<b>(136.70)</b>	<b>(341.89)</b>
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**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**

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

	2019-20	2018-19
<b>23 EMPLOYEE BENEFIT EXPENSES</b>	<b>(Rs in Lacs)</b>	<b>(Rs in Lacs)</b>
Salaries and Wages	1,301.69	1,224.86
Contribution to provident and other funds (Refer Note 34)	88.43	86.94
Staff welfare expenses	71.54	64.45
	<b>1,461.66</b>	<b>1,376.25</b>
<b>24 FINANCE COSTS</b>		
Interest expenses	177.83	64.77
Other borrowings costs	4.27	8.67
	<b>182.10</b>	<b>73.44</b>
<b>25 DEPRECIATION AND AMORTIZATION</b>		
Depreciation of tangible assets	50.99	35.79
Amortisation of intangible assets	18.57	17.44
	<b>69.56</b>	<b>53.23</b>
<b>26 OTHER EXPENSES</b>		
Stores and spare parts consumed	84.75	83.71
Power and fuel	46.01	41.08
Other Manufacturing Expenses	10.66	7.84
Erection Expenses	1,044.23	177.46
Repairs and maintenance		
Buildings	5.98	5.68
Plant & machinery	2.58	2.18
Others	31.47	29.23
Rent & Hire Charges	78.10	28.59
Rates and taxes	45.46	43.95
Insurance	2.58	1.59
Freight, Packing & Forwarding (net)	243.49	264.24
Travelling & Conveyance	182.93	203.50
Brokerage and Commission	7.61	2.54
Bank Charges	24.44	29.94
Communication Costs	21.83	18.39
Loss on Sale of Fixed assets and Assets Discarded (Net)	2.30	-
Auditors' Remuneration:		
- Audit Fee	2.50	2.25
- Tax Audit Fee	0.70	0.60
- Others for Certification, out of pocket expenses	0.12	0.38
Miscellaneous expenses ( refer Note 27)	443.75	147.70
	<b>2,281.49</b>	<b>1,090.85</b>



	2019-20	2018-19
	(Rs in Lacs)	(Rs in Lacs)
<b>27 MISCELLANEOUS EXPENSES</b>		
Motor Vehicle Running Expenses	7.02	11.33
Consultancy & Services outsourced	24.56	41.83
Security Service Charges	32.03	21.17
General Expenses	0.11	0.17
Liquidated Damages	319.04	34.78
Legal Expenses	0.52	0.96
Printing & Stationery	4.82	5.90
Subscription	0.35	0.50
Tender Form Purchase	0.86	6.58
Warranty Cost	3.90	11.60
Business Promotion Expenses	0.26	0.86
ISO Expenses	3.35	1.45
R & D Expenses	0.15	10.34
Pollution Control Expenses	-	0.14
Books & Periodicals	0.14	0.09
Provision for Bad & Doubtful Debts	46.64	-
(Net of Bad Debt Written off Rs 0.00 lacs PY Rs 0.15 lacs)		
	<b>443.75</b>	<b>147.70</b>
<b>28 Income Tax</b>		
Current income tax charge	-	54.50
Adjustments in respect of previous year	-	-
	-	54.50
Deferred Tax		
Relating to origination and reversal of temporary differences	(714.23)	0.59

**29 Earning Per Share**

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

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

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

Details for calculation of basic and diluted earning per share:

Profit after tax as per Statement of Profit and Loss	-	2,033.79	151.60
Weighted average number of equity share		19,80,000	19,80,000
Basic and diluted earning per share (Rs.)	-	102.72	7.66



The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to payment of Gratuity as per the provisions of Gratuity Act, 1972. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets. The Company has entrusted investment strategy to LIC through their group gratuity policy.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy. The Board of Trustees decides its contribution based on the results of this annual review. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following table summarises the components of net benefit expenses recognized in the statement of profit & loss, funded status and the amounts recognized in the balance sheet for the respective plans.

(Rs in Lacs)

i) Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020:

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31 March 2020	
	01-Apr-19	Service cost	Net Interest expense	Sub-total included in profit or loss (Note 22)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions			Experience adjustments
Defined benefit obligation	[200.09]	(18.11)	(14.46)	[32.57]	14.71	-	-	(16.32)	(3.78)	(20.10)	(238.05)
Fair value of plan assets	174.68	-	12.74	12.74	(14.71)	0.62	-	-	-	0.62	178.38
Benefit liability	[25.41]	-	-	(19.83)	-	-	-	-	-	(19.48)	[58.72]

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31 March 2019	
	01-Apr-18	Service cost	Net interest expense	Sub-total included in profit or loss (Note 22)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions			Experience adjustments
Defined benefit obligation	(189.68)	(16.95)	(12.78)	(29.73)	14.14	-	-	8.90	(3.72)	5.18	(200.09)
Fair value of plan assets	154.52	-	11.09	11.09	(14.14)	1.38	-	-	-	1.38	174.68
Benefit liability	(35.16)	-	-	(18.64)	-	-	-	-	-	6.56	(25.41)

ii) The major categories of plan assets Investments with insurer

2019-20 100%

2018-19 100%



30 Employee Benefit Expenses

Gratuity

(Rs in Lacs)

A. Expected Benefit Payments for the year ending

1 March 31, 2021	11.06
2 March 31, 2022	12.90
3 March 31, 2023	24.40
4 March 31, 2024	23.62
5 March 31, 2025	26.03
6 March 31, 2026 to March 31, 2030	134.91

iii) The Company expects to contribute Rs 31.41 lacs for the period ending 31st March, 2021.

iv) Actuarial Assumptions

	2019-20	2018-19
1 Discount Rate	6.70 % p.a	7.50 % p.a
2 Expected rate of return on plan assets	7.44% p.a	7.00 % p.a
3 Weighted average rate of Increase in compensation level	8.00 % p.a	8.00 % p.a
4 Mortality pre retirement	Standard Table LIC ( 1994-96 ) Ultimate	
5 As of March 31, 2020, 1 % percentage point increase in discount rate will affect our gratuity benefit obligation by	(-)	20.12 lacs
As of March 31, 2020, 1 % percentage point decrease in discount rate will affect our gratuity benefit obligation by	(+)	23.38 lacs
As of March 31, 2020, 1 % percentage point increase in salary escalation rate will affect our gratuity benefit obligation by	(+)	22.00 lacs
As of March 31, 2020, 1 % percentage point decrease in salary escalation rate will affect our gratuity benefit obligation by	(-)	19.32 lacs

v) Healthcare cost trend rates have no effect on the amounts recognised in the profit and loss account , since the benefit is in the form of a fixed amount as per the various grades , which is not subject to change.

vi) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors , such as supply and demand in the employment market.

vii) Leave encashment benefits has been actuarially valued and provided for. The Company has not set aside any fund to meet such liability. Hence the entire amount is shown under liabilities. (Refer Note No 15)

viii) Contribution to Provident and Other Funds includes Rs 56.96 Lacs ( Rs 49.18 Lacs ) paid towards Defined Contribution Plans.



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

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

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

	Year Ended	Sale to related parties	Purchase from related parties	Amounts owed by related parties*	Amounts owed to related parties*
Purchases of goods : Exide Industries Limited	31 March 2020 31 March 2019		2,468.01 3,733.22		2,936.55 2,921.29
Sale of goods : Exide Industries Limited	31 March 2020 31 March 2019	1,527.99 2,864.18		-148.25 487.13	- -
Chloride Batteries S.E. Asia PTE LTD	31 March 2020 31 March 2019	148.74 190.59		37.22 50.65	- -
		Amount Received	Amount Paid	Amounts owed by related parties*	Amounts owed to related parties*
Dividend Payment : Exide Industries Limited	31 March 2020 31 March 2019		- 69.30	- -	- -
Rent Paid Exide Industries Limited	31 March 2020 31 March 2019		5.46 5.46	- -	- -
Remuneration to CEO - Mr Samujjal Ganguly (Apr'19 to Mar'20) to CEO - Mr Jahar Sengupta (Apr'18 to Dec'18) to CEO - Mr Samujjal Ganguly (Jan'19 to Mar'19)	31 March 2020 31 March 2019 31 March 2019		47.20 41.25 10.73		

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil, 1 April 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.





**32 Significant accounting judgements, estimates and assumptions**

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

**(i) Judgements**

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

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

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

**(ii) Estimates and assumptions**

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

**(a) Employee benefit plans**

The cost of the leave benefits, 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 parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality table of India. 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.

Further details about gratuity obligations are given in Note 34.



**(b) Fair value measurement of financial instruments**

When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

**(c) Inventories provision**

The Company estimates the provision against slow and non-moving inventory by applying certain % over different age category of the inventory. Inputs to the model include ageing of inventory, expected loss rate and net realisable value in future.

**(d) Warranty**

The Company estimates the provision for warranty based on past trend of actual issues of materials under warranty. As at 31 March 2020, the estimated liability towards warranty amounted to approximately Rs. 23.88 lacs (March 31, 2019: Rs 19.97 lacs ) The provision towards warranty is not discounted as the management, based on past trend, expects to use the provision within twelve months after the Balance Sheet date.



**Fair values**

(Rs in Lacs)

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

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value INR lacs	Total fair value
		Designated upon initial recognition	Mandatory	Equity Instruments designated upon initial recognition	Mandatory		
<b>31st March 2020</b>							
<b>Assets:</b>							
Cash and cash equivalents	50.82	-	-	-	-	50.82	50.82
Investments - Liquid mutual fund units	-	-	-	-	-	-	-
Trade receivables	3,577.76	-	-	-	-	3,577.76	3,577.76
Loans	51.89	-	-	-	-	51.89	51.89
<b>Total</b>	<b>3,680.47</b>	-	-	-	-	<b>3,680.47</b>	<b>3,680.47</b>
<b>Financial liabilities</b>							
- Short term borrowings	1,981.89	-	-	-	-	1,981.89	1,981.89
- Trade payables	4,180.69	-	-	-	-	4,180.69	4,180.69
- Other financial liabilities	943.15	-	-	-	-	943.15	943.15
<b>Total</b>	<b>7,105.73</b>	-	-	-	-	<b>7,105.73</b>	<b>7,105.73</b>
<b>31st March 2019</b>							
<b>Assets:</b>							
Cash and cash equivalents	37.82	-	-	-	-	37.82	37.82
Investments - Liquid mutual fund units	-	-	-	-	-	-	-
Trade receivables	5,067.03	-	-	-	-	5,067.03	5,067.03
Loans	48.22	-	-	-	-	48.22	48.22
<b>Total</b>	<b>5,153.07</b>	-	-	-	-	<b>5,153.07</b>	<b>5,153.07</b>
<b>Financial liabilities</b>							
- Short term borrowings	782.19	-	-	-	-	782.19	782.19
- Trade payables	4,922.70	-	-	-	-	4,922.70	4,922.70
- Other financial liabilities	328.57	-	-	-	-	328.57	328.57
<b>Total</b>	<b>6,033.46</b>	-	-	-	-	<b>6,033.46</b>	<b>6,033.46</b>

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

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

► Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

► The fair values of the unquoted mutual funds have been taken at NAV (Net Assets Values) declared by the managers of such mutual funds. In case of liquid mutual fund held for securing income the same is carried at cost unless significant impairment in valuation is observed.

► The fair values of the remaining FVTOCI financial assets are derived from quoted market prices in active markets.

► The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.



## CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED

Notes to Financial Statements for the year ended 31 March 2020

### Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets includes trade receivables, current investments and cash and cash equivalents that derive directly from its operations. The Company accounts their un-quoted investment through FVTPL transactions. The company as on 31.03.2020 does not hold any quoted investments and investments having equity based assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is directly supported by their senior management of holding company that directs on financial risks and the appropriate financial risk governance framework for the Company. The senior management also provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2020.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in Note 45.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

All of the Company's borrowings are at a floating rate of interest. The Company manages its interest rate risk by keeping the borrowing limit at minimum level



#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	INR lacs	
	<u>Increase/decrease in basis points</u>	<u>Effect on profit before tax</u>
31 March 2020	+0.50	-0.79
31 March 2020	-0.50	+0.79
31 March 2019	+0.50	-3.08
31 March 2019	-0.50	+3.08

#### Foreign currency 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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD 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 including non designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is nil.

	<u>Change in SGD rate</u>	<u>Effect on profit before tax</u> <u>INR Rs in Lacs</u>	<u>Effect on pre-tax equity</u> <u>INR Rs in Lacs</u>
31 March 2020	+5.00 %	+2	+2
	-5.00 %	-2	-2
31 March 2019	+5.00 %	+14	+14
	-5.00 %	-14	-14

There are no items of assets or liability designated in foreign exchange which has any impact on pre-tax equity as at the year end.

#### Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of electronic parts and therefore require a continuous supply of cable, copper & steel. Due to the significantly increased volatility of the price of the copper, the Company tries to minimise the risk by keeping the stock at optimum level.

The Company's senior management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation based on past-trend and 12 months forecast.





#### Commodity price sensitivity

The following table shows the effect of price changes in copper net of hedge accounting impact.

	<u>Change in year-end price</u>	<u>Effect on profit before tax INR Rs in Lacs</u>	<u>Effect on equity INR Rs in Lacs</u>
31 March 2020			
Core, Cable & Copper	+5.00 %	-30.46	-30.46
	-5.00 %	+30.46	+30.46
Steel	+5.00 %	-12.90	-12.90
	-5.00 %	+12.90	+12.90

#### Equity price risk

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

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

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

#### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to new customers are generally made after due verification of credit worthiness. At 31 March 2020, the Company had top 20 customers (31 March 2019: 20 customers,) that owed the Company more than INR 4099 lacs (31 March 2019: INR 4099 lacs ) and accounted for approximately 73% (31 March 2019: 73%, ) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's senior management in accordance with the Company's policy. Investments of surplus funds are made only in liquid mutual fund with very low risk of impairment.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as illustrated in Note 6 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is nil as noted in the liquidity table below.



**Liquidity risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. As per the present funding facility no amount of borrowings should mature in the next 12-month period based on the carrying value of borrowings reflected in the financial statements. 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 sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	<u>On demand</u> <u>INR lacs</u>	<u>Less than 3 months</u> <u>INR lacs</u>	<u>3 to 12 months</u> <u>INR lacs</u>	<u>1 to 5 years</u> <u>INR lacs</u>	<u>&gt; 5 years</u> <u>INR lacs</u>	<u>Total</u> <u>INR lacs</u>
<b>Year ended</b>						
<b>31 March 2020</b>						
Borrowings	1,981.89	-	-	-	-	1,981.89
Contingent consideration	-	-	-	-	-	-
Trade and other payables	36.04	5,016.84	-	-	-	5,052.88
Other financial liabilities	-	576.11	-	-	-	576.11
Financial Guarantee Contract *	-	-	-	-	-	-
	<u>2,017.93</u>	<u>5,592.95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,610.88</u>
	<u>On demand</u> <u>INR lacs</u>	<u>Less than 3 months</u> <u>INR lacs</u>	<u>3 to 12 months</u> <u>INR lacs</u>	<u>1 to 5 years</u> <u>INR lacs</u>	<u>&gt; 5 years</u> <u>INR lacs</u>	<u>Total</u> <u>INR lacs</u>
<b>Year ended</b>						
<b>31 March 2019</b>						
Borrowings	782.19	-	-	-	-	782.19
Contingent consideration	-	-	-	-	-	-
Trade and other payables	36.67	5,214.60	-	-	-	5,251.27
Other financial liabilities	228.06	44.08	-	-	-	272.14
Financial Guarantee Contract *	-	-	-	-	-	-
	<u>1,046.92</u>	<u>5,258.68</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,305.60</u>



#### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

#### Collateral

The Company has pledged part of its short-term deposits in order to fulfil the collateral requirements for performance guarantee contracts. At 31 March 2019 and 31 March 2018 the fair values of the short-term deposits pledged were INR 0.00 lacs, INR 8.19 lacs respectively. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collateral.

### 35 Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 100 % and 150 %. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	31 March 2020 INR Rs in Lacs	31 March 2019 INR Rs in Lacs
Borrowings other than convertible preference shares (Note 18)	1,981.89	782.19
Trade payables (Note 15)	4,180.70	4,922.30
Other payables (Note 20)	875.67	328.97
Less: cash and cash equivalents (Note 11)	50.82	(37.82)
Net debt	<u>7,089.08</u>	<u>5,995.64</u>
Equity	-474.51	1,559.28
Gearing ratio	-	3.85

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.





**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**  
**ACCOUNTING POLICIES AND NOTES ON ACCOUNT**

- 36 The Company's business activity falls within a single primary business segment viz "Manufacturing and Sales of Battery Chargers and Allied Products" the disclosure requirements of Indian Accounting Standard (Ind AS) – 108 'Operating Segment' issued by the Institute of Chartered Accountants of India are not applicable.
- 37 The Company has preferred an appeal u/s 34 of the Arbitration Act, 1996, at Alipur Court, Kolkata praying an order to set aside the award dated 20.09.2008 passed by Andhra Pradesh Micro & Small Enterprises facilitation council amounting to Rs 53.66 lacs in favour of M/S Infinity E V Motors Pvt Ltd, Hyderabad. The Company expects favourable decision in its favour and no liability is expected to arise in this case.

As per information available there is no other pending litigation against the Company in any Court as on date.

- 38 In order to achieve business Growth the Company had entered into Solar business in a big way. The Company also secured some big order on competitive bidding process. The Company however faced very adverse conditions and suffered losses in some big contracts. Company has now decided to focus in its core area of Charger Manufacturing, Servicing and smaller Solar Projects.
- 39 The Company has incurred losses of Rs 2732.78 lacs (Rs 2033.79 lacs net of Tax). Consequently net worth of the Company have become negative at Rs (672.51) lacs. However, the Company management is of the opinion that surplus from existing core operations will be enough to wipe out the losses in next 2-3 years. The Management is also of the opinion that realisable value of the existing assets will be far higher than the carrying value which will enable the Company to wipe out the losses.

The management is of the opinion that current realisations from business operations will be enough to meet the liabilities whenever they fall due for payment and as such there is no threat on the Company's ability to continue as going concern.

**40 Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".

	<b>March 31, 2020</b> <b>(Rs in Lacs)</b>	<b>March 31, 2019</b> <b>(Rs in Lacs)</b>
Principal amount due but not overdue	133.82	402.13
Interest due on above	-	-
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	0.02	-
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	-	-

**41 Capital and other commitments**

Commitment for acquisition of fixed assets

Commitment for investment

Other Commitments

-	-
-	-
-	-
-	-





**CHLORIDE POWER SYSTEMS & SOLUTIONS LIMITED**  
**ACCOUNTING POLICIES AND NOTES ON ACCOUNT**

**42 Contingent Liabilities not provided for**

Outstanding Bank Guarantees / Indemnity Bonds	2,518.13	2,293.50
Sales Tax demands	327.82	240.52
	<u>2,845.95</u>	<u>2,534.02</u>

**43 Income & Expenditure in Foreign Currency (on accrual basis)**

<b>Income</b>		
Export(F.O.B. Value)	151.02	387.33
<b>Expenditure</b>		
Imports (C.I.F basis)	123.11	48.93
Travelling Expenses	8.02	21.92
	<u>131.13</u>	<u>70.85</u>

44 Figures in brackets relate to previous year and the same have been regrouped/rearranged where necessary.

As per our report of even date.

**Surendra Didwania & Co.**

Firm Reg. Number: 322745 E

Chartered Accountants

*S. K. Didwania*

S K. Didwania

Proprietor

Membership No. 56954

Place : Kolkata

Date : May 27, 2020



As Approved,  
For and on behalf of the Board of Directors

Sd/-

Asish Kumar  
Mukherjee

**Arun Mittal**

Director  
DIN - 00131626

Director  
DIN - 00412767