eicl LIMITED

Annual Report 2020-21

EICL Limited

Company Information

CIN : U26939KL1963PLC002039

Chairman
Mr. Karan Thapar

Directors
Mr. Vijay Dilbagh Rai
Mr. T. Balakrishnan
Mr. Suresh Kumar Jain
Ms. Shivpriya Nanda
Mr. Joy Kumar Jain (upto 11.05.2020)
Mr. Firdose Vandrevala (w.e.f. 25.05.2021)

Chief Executive Officer
Mr. Bhagwan Das Bhojwani (w.e.f. 06.11.2020)

Chief Financial Officer
Mr. Mahendra Kumar Gupta

Company Secretary &
Dy. G.M. (Corporate Legal)
Mrs. Shalini Chawla

Bankers
Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited

Auditors
S.N. Dhawan & Co. LLP
Chartered Accountants

Cost Auditors
A. R. Narayanan & Co.
Cost Accountants

Internal Auditors
Varma & Varma
Chartered Accountants

Secretarial Auditors
VKC & Associates
Company Secretaries

Registrar & Share Transfer Agent
RCMC Share Registry Pvt. Ltd.
B-25/1, Okhla Industrial Area,
Phase – II, New Delhi – 110 020

Registered Office
TC-79/4, Veli
Thiruvananthapuram – 695 021
Kerala

Works
Thiruvananthapuram (Kerala)

Corporate Office
801-803, Tower-B, 8th Floor
Global Business Park, M. G. Road
Gurugram – 122 002 (Haryana)

Head Office
705, 7th Floor, DLF City Court,
M.G. Road, Gurugram - 122 001(Haryana)

CONTENTS **Page No.**

BOARD'S REPORT

To,
The Members,

Your Directors present the 57th Annual Report of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL SUMMARY

The Company's financial performance for the Financial Year ended 31st March, 2021 is summarized below:- **(₹ in Lacs)**

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Total Revenue	10,568	20,544	10,578	20,544
Profit/(loss) before depreciation, interest and tax	(60)	186	(28)	186
Profit/(Loss) before tax and exceptional items	(1,546)	(1,451)	(1,513)	(1,451)
Gain/(Loss) on Exceptional items	-	(563)	-	(563)
Profit/(loss) before tax and exceptional items	(1,546)	(2,014)	(1,513)	(2,014)
Tax expenses/(income)				
- Current tax	-	-	-	-
- Earlier year tax	-	(195)	-	(195)
- Deferred Tax	(352)	(694)	(352)	(694)
Profit/(loss) after tax for the year	**(1,194)**	**(1,125)**	**(1,161)**	**(1,125)**
Comprehensive Income (net of tax) for the year	61	37	61	37
Total Comprehensive Income for the year	**(1,133)**	**(1,088)**	**(1,100)**	**(1,088)**
Surplus brought forward from the previous year	8,612	9,737	8,612	9,737
Balance available for appropriation	7,418	8,612	7,451	8,612
Surplus carried forward to next year's account	7,418	8,612	7,451	8,612

RESERVES

The Directors of the Company proposed not to transfer any amount in the General Reserves of the Company due to the losses in the current Financial Year.

DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended on 31st March, 2021.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year under review, the Company acquired the entire stake of Kaolin India Private Limited ("KIPL") and thus KIPL became the wholly-owned subsidiary of the Company effective from 03-06-2020. The details of the performance of the subsidiary company is as follows:

KIPL, a wholly-owned subsidiary of the Company, reported a Nil revenue for the year as project gets capitalized at the end of the Financial Year.

A statement containing salient features of the Financial Statements in Form AOC-1 annexed as **Annexure-C**, as required under Section 129 (3) of the Act forms a part of this Annual Report. The audited Financial Statement of the subsidiary shall be kept open for inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the ensuing Annual General Meeting ('AGM'). Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, is available on the website of the Company at http://www.eicl.in/ investors.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company for the Financial Year 2020-21 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report. The same is with an unmodified opinion (unqualified).

STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY.

The Company's performance has not been very encouraging during the year and the Net Sales Turnover of the Company for the year ended 31st March, 2021 was at ₹ 10577 Lacs compared to ₹ 20544 Lacs in the previous Year. The Operations of the Company were severely impacted due to the lockdowns imposed across the country and this coupled with unavailability of raw material resulted in a complete shutdown of operations for over two months. In all, operations were severely affected for 7 months of the year and only one of the plants, Thonnakal, resumed operations at the end of October, while the larger capacity plant in Veli continues to remain closed. This will likely continue until demand revives and mining leases that are long pending approval for commencement of mining are granted by the Kerala Government.

To derisk the issue of raw material availability, your company incorporated a 100% owned subsidiary, Kaolin India Pvt Ltd, during the Financial Year and in record time established a small plant with approximately 40,000 MT capacity of refined Kaolin, which we are pleased to report, was commissioned late March, 2021, Covid issues notwithstanding. The Directors congratulate the management for it's persistence and perseverance in the face of big odds.

Your Company registered gross Operating Profit i.e. EBIDTA loss of ₹ 28 Lacs during the year under review as against EBIDTA gain of ₹ 186 Lacs in the previous year ended 31st March, 2020. The loss after tax for the year ended 31st March, 2021 is ₹ 1161 Lacs viz-a-viz ₹ 1125 Lacs in the previous year ended 31st March, 2020.

The Bhuj Plant operations and some new business initiatives will be contributing substantial additional revenue for upcoming Financial Year.

As regards Note on Emphasis of matters in the Audit Report, the Company has its clear plan to obtain the requisite approvals as elaborated in subsequent paras.

There is no qualification, reservation or adverse remark or disclaimer by the Statutory Auditors which requires any explanation or comments from the Board of Directors of the Company.

ENVIRONMENT, HEALTH AND SAFETY

The Company's manufacturing units are governed by "Environment, Health and Safety Policy" and are certified as per ISO 90001 2015 assessment standards. The Company has various safety guidelines in place, which help identify unsafe actions or conditions in the Company premises. These guidelines form the cornerstone on which the Company can operate smoothly devoid of any mishap or accidents at the workplace.

The Company has implemented various Environment, Health and Safety measures in the Company including at its Factory Units such as:

1. Rain Harvesting Project at plant level in Kerala.
2. Strict implementation of COVID-19 protocols as recommended by the Government at all the offices and factory locations.
3. Regular safety drives coupled with effective trainings are conducted to help spread awareness among employees on how to maintain a safe work environment.
4. The Company places equal emphasis on safety processes, behavioral safety and strives to create safety positive culture towards achieving the ultimate goal of zero accidents.
5. Increased focus on training & awareness, safety observations and various audits like Internal Audit.
6. Identification of safety hazards, near misses and accident prone areas through safety management audit.
7. Employees are also required to take a safety oath and are encouraged to actively participate in various competitions like poster, slogan, poem, essay competition during the national safety week celebration.
8. Annual health check-up of all the employees conducted to take care of their wellbeing.

All environment, health, and safety measures are successfully implemented.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

The Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted between 1994-2008. Following the judgment of the Hon'ble High Court of Kerala at Ernakulam in 2018, the mining activities of the company had been suspended. Post complying with the directions of the Hon'ble High Court of Kerala, the Company is in the process of getting the Environment Clearance of Veiloor Village mines and also the approval for other leases with the various authorities. The Company has re-started mining at Melthonnakkal from October, 2020 and also got another mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Hence, the Company has two mining leases that are operational presently.

Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to operate other mines on receipt of necessary approvals and also consequently achieve the full level of production and improved profitability. The Company is confident of obtaining the necessary approvals for other mining leases in near future.

The Company has repositioned itself in the market with its new Subsidiary in Bhuj, Gujarat, which will offer a wide range of products to various customers at competitive prices thereby helping it to regain market share lost during the shutdowns and ongoing in the case of the Veli plant in Kerala. This plant is expected to contribute substantially to the consolidated revenues and profits of it's Kaolin business.

The Company entered into an agreement to sell it's Industrial plot in Shimoga, Karnataka, which is expected to be concluded in the near future. This will help reduce the capital employed in unproductive assets, as well as long term liabilities through permanent reduction in unproductive expenses. In conclusion, although the company's size of operations may be reduced in the short term, the long term prospects will be vastly improved through better deployment of capital.

GST refund receivable on input services continues to be a cash flow issue for the Company since the Company is under inverted duty structure and the Company has filed a Writ Petition before the Hon'ble High Court of Kerala which is still to be heard.

LEGAL CASES:

The details of various pending legal cases of the Company are given in the Annual Report 2020-21.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid /unclaimed for a period of seven years from the year 2014 has to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India in August/October, 2021. During the Financial Year 2020-21 the Company had transferred unpaid dividends and 6457 equity shares of the shareholders who have not claimed or encashed their dividend declared by the Company for the Financial Year 2012-13 for seven or more consecutive years to the IEPF account.

In terms of Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, shares of the

Company in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India, for which the Company will publish advertisement in widely circulated English Newspaper and in regional language in due course and will upload in the Company's website: www.eicl.in .

The Members are requested to take note that unclaimed dividends be claimed immediately to avoid the transfer of the shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned members from IEPF Authority as per prescribed rules.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has an appropriate combination of Executive and Non-Executive Directors.

The Board meets at least Four times in a year. The annual calendar for the Board Meetings for the Financial Year is fixed at the beginning of each year. If necessary, the Board Meetings are also convened beyond the four meetings. During the Financial Year 2020-21, the Directors met Eight (8) times i.e., on 29th April, 2020, 3rd June, 2020, 12th June, 2020, 7th August, 2020, 10th September, 2020, 12th October, 2020, 6th November, 2020 and 11th February, 2021.

No Director is related to any other Director on the Board.

DISCLOSURE IN RESPECT OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have given their declarations confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The Company has 3 (Three) Independent Directors out of 5 (Five) Directors on the Board.

For the Financial Year 2020-21, the Independent Directors met once i.e., on 12th June, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Karan Thapar (DIN: 00004264), retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Suresh Kumar Jain (DIN: 00003500) was appointed by the Board as a Non-Executive Director of the Company w.e.f. 04-11-2020 and he will hold office upto the date of ensuing Annual General Meeting of the Company.

Mr. Firdose Vandrevala has been appointed as an Independent Director of the Company w.e.f. 25-05-2021 and he will hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received Notices U/s 160(1) of the Companies Act, 2013 proposing the appointment of Mr. Firdose Vandrevala as an Independent Director of the Company, not liable by rotation, for a term of (5) Five years upto the conclusion of the Annual General meeting of the Company in the calendar year 2026.

Their appointments are submitted for your approval.

The following are the Key Managerial Personnel of the Company within the meaning of Sections 2(51) and 203 of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014:-

1. Mr. Suresh Kumar Jain, Executive Director (upto 4th November, 2020)
2. Mr. Bhagwan Das Bhojwani, Chief Executive Officer (w.e.f. 6th November, 2020)
3. Mr. Mahendra Kumar Gupta, Chief Financial Officer
4. Mrs. Shalini Chawla, Company Secretary

STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD

A formal evaluation of the Board, its Committees, and of the individual Director is one potential effective way to respond to the demand for greater Board's accountability and effectiveness. The effectiveness and performance of the Board, its Committees and its members are evaluated and measured, considering the following parameters: -

1. Performance of the Board/Committee against the performance benchmark set.
2. Overall value addition by the discussions taking place at the Board Meetings/Committee Meetings.
3. The regularity and quality of participation of the individual Director in the deliberation of the Board and its Committees, close monitoring of the various actions taken for the implementation of the Board's decision.

The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the Directors being evaluated. A questionnaire is prepared and is being circulated amongst the Directors for their comments. Review of the performance of the Chairperson of the Company is done by taking into account the views of Executive and Non-Executive Directors of the Company.

COMPOSITION OF AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted the Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also reviews the significant legal cases pending and all material developments are reported to the Board.

The Company re-constituted the Audit Committee consist of the following Directors:-

1. Mr. Vijay Dilbagh Rai, Chairman of the Committee
2. Ms. Shivpriya Nanda
3. Mr. T. Balakrishnan

Statutory Auditors and the Internal Auditors are the permanent invitees at the Committee Meetings. Mr. Bhagwan Das Bhojwani, Chief Executive Officer and Mr. Mahendra Kumar Gupta, Chief Financial Officer are also the permanent invitees at the Committee Meetings. Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

For the Financial Year 2020-21, the Audit Committee met Five (5) times i.e., on 3rd June, 2020, 12th June, 2020, 10th September, 2020, 06th November, 2020, and 11th February, 2021.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Company has in place a risk identification and mitigation policy.

Regarding note No. 39 to Accounts, it is to state that the Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala at Ernakulam, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Village mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Company has re-started mining at Melthonnakkal from October, 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Thus, the Company has two mining leases that are operational presently.

Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve the full level of production and improved profitability.

The Company is confident of securing the necessary approvals related to other locations for which it has a very clear plan.

Now, the Company can produce the ideal product mix after re-starting captive mining which is critical to meet the product requirement. The Company is working on a strategy to get back the lost customers to improve its market share. Our Application and R&D Team is doing continued efforts to develop new products for different applications to de-risk the dependence on particular industry segment.

In addition, the Company is also evaluating the opportunities for increasing its geographical presence and build up strategic relationship/tie-ups to diversify into other minerals.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Company re-constituted the Corporate Social Responsibility Committee consist of the following Directors:-

1. Mr. T. Balakrishnan (Chairman of the Committee),
2. Mr. Vijay Dilbagh Rai
3. Mr. Suresh Kumar Jain

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted the CSR Policy as recommended by the CSR Committee covering the objections, initiatives, implementation, monitoring, etc. The CSR Policy of the Company is displayed on the Company's website: www.eicl.in

The details about the Corporate Social Responsibility Policy developed and implemented by the Company and the various initiatives taken during the year and other particulars are enclosed in the prescribed form as **Annexure – A**.

During the Financial Year 2020-21, the Corporate Social Responsibility Committee met once i.e., on 12th June, 2020.

COVID-19 SUPPORT

The COVID-19 pandemic presents a huge challenge from the human and economic perspective, requiring collaborative action from various organizations to support the Government. At EICL, we have taken multiple steps proactively to ensure continuity of business operations & followed safety protocols at all levels. EICL has undertaken initiatives to distribute masks and necessary PPE Kits etc. to employees in plant and offices of the Company.

The Company is committed to organizing its resources, expertise, and manpower to support all efforts to combat this global health crisis and restore normality.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Pursuant to Section 178 of the Companies Act, 2013, the Company has re-constituted a Nomination & Remuneration Committee, which consist of the following Directors:-

1. Mr. Vijay Dilbagh Rai, Chairman of the Committee
2. Mr. Karan Thapar (upto 25th May, 2021)
3. Ms. Shivpriya Nanda
4. Mr. Firdose Vandrevala (appointed w.e.f. 25th May, 2021)

The Committee met Two times in the Financial Year 2020-21 i.e., on 12th June, 2020 and 6th November, 2020.

The Nomination & Remuneration Committee considering the requirement of the skill sets on the Board, the integrity of the persons having standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management Personnel. The objectives of this policy are:

a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
b) encourage people to perform to their highest level;
c) allow the Company to compete in each relevant employment market;
d) provide consistency in remuneration throughout the Company;
e) align the performance of the business with the performance of key individuals and teams within the Company;
f) long term value creation; and
g) to attract and retain the best professionals.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee, and management in determining the appropriate remuneration strategy.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is open for inspection at the Registered Office of the Company and Any Member interested in obtaining a copy of the same may write to the Company Secretary.

SHARE TRANSFER/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Company has re-constituted a "Share Transfer/Shareholders' Grievance Committee" which consist of the following Directors:-

1. Ms. Shivpriya Nanda, Chairwoman of the Committee
2. Mr. Karan Thapar

3. Mr. T. Balakrishnan

Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

The Committee met once in 2020-21 i.e. on 12th June, 2020.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adopted Accounting policies as per the Accounting Standards and other applicable provisions of Companies Act, 2013.

STATUTORY AUDITOR

M/s. S. N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/N500045), the Statutory Auditors were appointed in the 56th Annual General Meeting of the Company held on 31st July, 2020 for a period of 5 years till the conclusion of the Annual General Meeting held in the Calendar Year 2025.

STATUTORY AUDITORS' REPORT

Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2021 are with unmodified opinion (unqualified).

The Statutory Auditors' of the Company has not reported any instances of fraud as specified under the second proviso to Section 143(12) of the Act.

INTERNAL AUDITOR

Internal Control Systems and Adequacy of Internal Financial Controls EICL has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls.

The Company had appointed M/s Varma & Varma, Chartered Accountants, as the Internal Auditors of the Company pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, to conduct the internal audit for the Financial Year 2020-21.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been appointed as Cost Auditors for the Financial Year 2020-21 to conduct the cost audit of the accounts maintained by the Company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditors is submitted for ratification by the Shareholders of the Company.

There is no qualification, reservation or adverse remark or disclaimer by the Secretarial Auditors which requires any explanation or comments from the Board of Directors of the Company.

SECRETARIAL AUDITOR

M/s. VKC & Associates (Partner Membership No.49021/ C.P.No.17827), Company Secretaries in practice have been appointed as Secretarial Auditors to conduct the Secretarial Audit for the Financial Year 2020-21 of the Company.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, has been annexed to this report as **Annexure - B**. The observation made by the Secretarial Auditors in their report is self-explanatory.

M/s. VKC & Associates, Company Secretaries in practice has conducted Secretarial Audit of the Company for the Financial Year 2020-21.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, is also available on Company's website: www.eicl.in.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) and (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a) the Company has followed the applicable Accounting Standards in the preparation of the Annual Accounts for the year ended 31st March, 2021, and there is no material deviation from the previous year.

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the profit/loss for the year ended 31st March, 2021.

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;

d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f) the Directors have laid proper internal financial control and that such financial controls are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has given a loan of ₹ 1(One) crore to Kaolin India Pvt. Ltd. (wholly-owned subsidiary) and also given Corporate Guarantee to Axis Bank for working capital facility of ₹ 8(Eight) Crore availed by Kaolin India Pvt. Ltd. (wholly-owned subsidiary) of the Company. The Company has also made an Investment of ₹ 50,00,000/- in the Equity Share Capital of Kaolin India Pvt. Ltd. (wholly-owned subsidiary) of the Company w.e.f. 03-06-2020.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the Related Party Transactions, as per requirement of Accounting Standard-18, are disclosed in notes to the Financial Statements of the Company for the Financial Year 2020-21. All the Directors have disclosed their interest in form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A Statement in the prescribed Form AOC-2 is annexed to this report as **Annexure - D**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of

Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:-

(A) Conservation of energy

(i) Steps taken or impact on Conservation of Energy are as under:

a) Reduction in specific energy consumption was achieved during the year with dedicated drive on conservation with a month-long campaign with energy saving pledge signed by all departments.

b) Internal energy audit done and the improvement actions implemented.

c) Non-peak hour operation maximized and all planned maintenance of short duration planned during peak hours.

d) Migration to energy-efficient motors and replaced part of the factory lighting with solar lighting and balance is under progress.

e) All new motors are energy efficient I2 and I3 rated.

f) Rotor resistant starter replaced with VFD drive in ACM and speed optimized.

g) VFD connected to compressors and optimized the speed to minimize idle running time

h) PID controller installed with Slurry feed pumps in Flash Dryer plant

(ii) Steps taken by the Company for utilizing alternate sources of energy:

LNG (Liquified Natural Gas) is operational and replaced with diesel/SKO. The modification in burner is planned to replace Furnace Oil during the year.

(iii) Capital investment on Energy Conservation equipment

During the current Financial Year, the Company has not incurred any major capital expenditure on the energy conservation equipment except maintenance CAPEX.

(B) Technology absorption

a. Company has taken up a re-engineering program. This is based on own Research & Development findings and collaborative work with leaders in process technology. This is an ongoing program.

b. Modifications and replacement of pumps in blunger section to get better dispersion and increased throughput.

c. Increased the number of Hydro cyclones to get higher slurry flow with improved efficiency.

d. Indigenisation of Self-Cleaning Filter for Nozzle Centrifuge done.

e. Double stage screening of feed slurry to Nozzle Centrifuge to eliminate frequent stack choking.

(C) Research & Development activities

Your Company lays special emphasis on Research & Development activities with an objective to develop new product line for the growth of the Company. The Company's commitment and strong research orientation has played big role such as:

- R & D has been at the forefront of developing new product for Tyre application. Commercial scale production continuing and on-going plant trials at customer end.
- New products are being worked on with less than 18 months incubation time.
- Research tie ups made with leading institutions in India
- Joint projects with leading customers to provide customer specific solutions based on our raw material.
- The R&D Team has been able to develop cutting edge mineral composite for anti-corrosive coatings and is working to develop composites for barrier applications.

Expenditure incurred on Research & Development are as under:-

(₹ in Lacs)

	31st March, 2021	31st March, 2020
a) Capital	—	—
b) Recurring	81.48	82.29
c) Total	**81.48**	82.29
d) Total R&D Expenditure as a percentage of total turnover	**0.77**	0.40

(D) Foreign Exchange earnings and outgo

The Company has recorded export earnings of ₹ 1474.27 Lacs, import payments of ₹ 842.70 Lacs, and expenses in foreign exchange of ₹ 24.32 Lacs.

VIGIL MECHANISM POLICY

The Company has a "Vigil Mechanism Policy" to facilitate the Directors and employees at all levels, to voice their concerns or observations to the Chairman of the Audit Committee. The policy provides a framework to promote responsible and secure whistleblowing.

The Company has provided a dedicated email ID that can be accessed only by the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2020-21.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on teamwork, skill development, and the development of leadership and functional capabilities of the employees. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary. There were no employees who were employed throughout the Financial Year or part thereof, by himself/ herself or along with his/ her spouse and dependent children, held more than two percent of the equity shares of the Company.

INDUSTRIAL RELATIONS

In the Financial Year 2020-21, the relations of the Company with all its employees and trade unions were managed for running of operations in line with business requirements.

The Long Term Agreement between the Company and its workmen is pending renewal due to the non-visibility of raw material availability caused by a delay in necessary approvals for captive mining. Management has made it clear that unless mining permissions are received adequately to continue sustainable operations for the long term, there can be no increase in payroll cost.

After the work suspension from 10th August, 2020 at both the plant locations, the Company has started operations from October, 2020 at one of the plant (Thonnakkal) with the support of employees, unions, administration and authorities. However, due to continued work suspension at one of the plants (Veli), the overall IR situation is challenging. The management is in constant discussions with the unions and authorities with the assurance to review the viability of Veli operations periodically.

The Company appreciates the strong support of all its employees in taking up the matter at various forums of the Kerala Government through demonstrations, representations, etc.

ACKNOWLEDGEMENT

The Board of Directors places on record their appreciation for the continued support and confidence received from Banks, Financial Institutions, Customers, Central and State Governments and other Government authorities.

The Board of Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

For and on behalf of the Board

Sd/-
Karan Thapar

Place : Gurugram
Chairman

Date : 25 May, 2021
DIN: 00004264

LIST OF ANNEXURES

Annexure – A

(Report on Corporate Social Responsibility activities)

1. Brief outline on CSR Policy of the Company:

   The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagers. The funds were primarily allocated and utilized for the activities which are specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. T. Balakrishnan	Chairman of the Committee	1	1
2	Mr. Vijay Dilbagh Rai	Director	1	1
3	Mr. Suresh Kumar Jain	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: **www.eicl.in**

4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding Financial Year (in ₹)	Amount required to be set-off for the Financial Year, if any (₹ in lacs)
1	2019-20	Nil	Nil
2	2018-19	Nil	Nil
3	2017-18	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the Company as per Section 135(5) — ₹ 1814.62 lacs

7. (a) Two percent of average net profit of the Company as per section 135(5). — ₹ 36.29 lacs

   (b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Year. — Nil

   (c) Amount required to be set off for the Financial Year, if any. — Nil

   (d) Total CSR obligation for the Financial Year (7a+7b-7c). — ₹ 36.29 lacs

8. (a) CSR amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
48.76 lacs	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against **ongoing projects** for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area Yes/No	Location of the project		Projects duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of implementation-Direct Yes/No	Mode of implementation-Through implementing Agency	
				State	District						Name	CSR Registration Number
1	Rain water harvest/ Water to villages		Yes	Kerala	Thiruvananthapuram	Annual	₹ 50 lacs	₹ 48.76 lacs	Nil	Direct	NA	NA
2												
	TOTAL											

(c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	local area Yes/No	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct Yes/No	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1									
2									
3									
	TOTAL								

(d) Amount spent in Administrative Overheads Nil

(e) Amount spent on Impact Assessment, if applicable Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 48.76 lacs

(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in ₹ lacs)
(i)	Two percent of average net profit of the Company as per section 135(5)	36.29
(ii)	Total amount spent for the Financial Year	48.76
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	12.47
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any,	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	12.47

9. (a) Details of Unspent CSR amount for the preceding three Financial Years : **Not Applicable**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under section 135(6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in Succeeding financial year (In ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1							
2							
3							
	TOTAL						

(b) Details of CSR amount spent in the Financial Year for **ongoing projects** of the preceding Financial Year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was Commenced**	**Project duration**	**Total Amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting financial year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project - Completed/ Ongoing**
1								
2								
3								
	TOTAL							

10. In case of creation or acquisition of capital assets, furnish the details Relating to the asset so created or acquired through CSR spent in the Financial Year. **Not Applicable**
    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of the Board

	Sd/-	Sd/-
	T.BALAKRISHNAN	**SURESH KUMAR JAIN**
Place : Gurugram	**Chairman**	**Director**
Date : 25 May, 2021	DIN : 00052922	DIN: 00003500

Annexure – B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
EICL Limited
CIN: U26939KL1963PLC002039
Registered office address: - TC-79/4, Veli,
Thiruvananthapuram 695021 Kerala

We report that

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EICL Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. However, due to lockdown to fight COVID-19 followed by restrictions imposed by local authorities and State Government, some of the documents and records mentioned above have been received via electronic means. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of Opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances thereof

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:- **Not Applicable**

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:- **Not Applicable**

  (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:- **Not Applicable**

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:- **Not Applicable**

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:- **Not Applicable**

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: - **Not Applicable**

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:- **Not Applicable as the Company is not rgistered as Registrar to issue and share Transfer Agent during the Financial year under review.**

  (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009:- **Not Applicable**

  (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018:- **Not Applicable**

(vi) The Mines Act, 1952 and the rules, regulations made thereunder are specifically applicable to the Company and we have carried out a limited review and also relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder.

We have also examined compliance with the applicable provisions of the following:-

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s):- **Not Applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above *except delay in filling few e-forms and, Subject to the provisions of Section 197 read with Schedule V of the Act, In view of losses for the year and non-fulfilment of certain disclosures requirements mentioned in Schedule V of the Act, the total managerial remuneration paid to one executive director of the Company exceeds the prescribed limits under Section 197 read with Schedule V of the Act. Further, as informed by the management, the remuneration paid to such Executive Director is subject to approval of the shareholders of the Company in the forthcoming Annual General Meeting of the Company.*

We further report that:

The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, as applicable. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all Directors to schedule the Board & its Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines;

During the period under review,

i) The Board of the Company has authorized the sale of Company's Land situated at Shivamoga District of Karnataka, at total consideration of ₹ 50 Crores to a third party and the Company has also received a token money of ₹ 1 Crores.

ii) The Company has acquired 1,00,000 equity shares of ₹ 10/- aggregating to ₹ 10,00,000 of Kaolin India Private Limited (KIPL) from Karun Carpets Private Limited at par value and pursuant to above acquisition, KIPL become the wholly owned subsidiary of the Company w.e.f 3rd June, 2020.

iii) Pursuant to Hon'ble National Company Law Tribunal, Chandigarh (NCLT) vide Order dated 4th December, 2020. DBH International Private Limited (Former Holding Company) was merged with Karun Carpets Private Limited through a Scheme of Amalgamation under Section 230-233 of the Act and, thereafter KCPL becomes the Holding Company of the Company.

iv) The Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Company has re-started mining at Melthonnakkal from October, 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Thus, the Company has two mining leases which are operational presently.

As informed by the Management, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve full level of production and improved profitability.

FOR VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

Sd/-
CS Ishan Khanna
Partner
ACS No. 53517
C P No. 24258
UDIN: A053517C000362595

Date : 25 May, 2021
Place : Delhi

Annexure-C

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiary Company

Part "A": Subsidiary

(Information in respect of subsidiary to be presented with amounts ₹ in lacs)

Sl. No.		1
1.	Name of the Subsidiaries	**Kaolin India Private Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	**From 03-06-2020 to 31-03-2021**
3.	Reporting currency andExchange rate as on the last date of the relevant Financial Year in the case of foreign Subsidiaries.	**N.A.**
4.	Share capital	950.00
5.	Reserves & surplus	(22.05)
6.	Total assets	1052.51
7.	Total Liabilities	1052.51
8.	Investments	0
9.	Turnover	0
10.	Profit before taxation	(22.13)
11.	Provision for taxation	(0.30)
12.	Profit after taxation	(21.83)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures

Not Applicable

For and on behalf of the Board

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
	Shalini Chawla	**B. Bhojwani**	**M.K.Gupta**	**Vijay Dilbagh Rai**	**Suresh Kumar Jain**
Place: Gurugram	Company Secretary	CEO	CFO	Director	Director
Date: 25 May, 2021	M. No. : 22060			DIN: 00075837	DIN: 00003500

Annexure – D

Form No. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
   - (a) Name(s) of the related party and nature of relationship : N.A.
   - (b) Nature of contracts/arrangements/transactions : N.A.
   - (c) Duration of the contracts / arrangements/transactions : N.A.
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : N.A.
   - (e) Justification for entering into such contracts or arrangements or transactions : N.A.
   - (f) Date(s) of approval by the Board : N.A.
   - (g) Amount paid as advances, if any : Nil
   - (h) The date on which the special resolution was passed in General Meeting as required under the first proviso to Section 188 : N.A.
2. (a) Details of material contracts or arrangement or transactions at arm's length basis
   - i. Bharat Starch Products Pvt. Ltd. (Now merged with Karun Carpets Pvt. Ltd.)
   - ii. Premium Transmission Pvt. Ltd.
   - iii. Kaolin India Private Limited (A wholly owned subsidiary of EICL Limited)
   - iv DBH International Pvt. Ltd. (Now merged with Karun Carpets Pvt. Ltd.)
   - v. Karun Carpets Pvt. Ltd.
   - vi. Mr. Suresh Kumar Jain

   (b) Nature of contracts/arrangements/transactions

i.	Bharat Starch Products Pvt. Ltd.	- Rent paid
ii.	Premium Transmission Pvt. Ltd.	- Sharing of corporate expenses.
iii.	Kaolin India Private Limited	- ICD interest
iv.	DBH International Pvt. Ltd.	- ICD Interest
v.	Karun Carpets Pvt. Ltd.	- Sale of Car/reimbursement expenses
vi.	Mr. Suresh Kumar Jain	- Professional fees

   (c) Duration of the contracts / arrangements/transactions

			Value	
i.	Bharat Starch Products Pvt. Ltd.	- 01-04-2020 to 31-03-2021	₹ 21.24 Lacs	(payment)
ii.	Premium Transmission Pvt. Ltd.	- 01-04-2020 to 31-03-2021	₹ 89.97 Lacs	(Receipt)
iii.	Kaolin India Private Limited	- 01-06-2020 to 31-03-2021	₹ 11.94 Lacs	(receipt)
iv.	DBH International Pvt. Ltd.	- 04-11-2020 to 31-03-2021	₹ 36.85 Lacs	(payment)
v.	Karun Carpets Pvt. Ltd.	- 01-01-2021 to 31-03-2021	₹ 22.18 Lacs	(receipt)
		- 01-09-2020 to 31-03-2021	₹ 13.38 Lacs	(payment)
vi.	Mr. Suresh Kumar Jain	- 01-11-2020 to 31-03-2021	₹ 6.00 Lacs	(payment)

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   The above transactions are in the ordinary course of business and at an arm's length basis.

   (e) Date(s) of approval by the Board, if any:
   10-09-2020, 06-11-2020, 11-02-2021 & 25-05-2021

   (f) Amount paid as advances, if any:
   Nil

For and on behalf of the Board

Sd/-
KARAN THAPAR
Chairman
DIN: 0004264

Place : Gurugram
Date : 25 May, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of EICL Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **EICL Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Expected environment clearance

We draw attention to Note 39 to the accompanying financial statements, relating to filing of application with the regulatory authorities for securing environment clearances for their mining land parcels. The Company has received approvals for two mining leases which are operational presently and is awaiting to receive approvals for other locations. The classification of underlying land as property, plant and equipment, conclusion relating to non-impairment of plant and machinery and measurement of site restoration obligation is dependent on such clearances. Our opinion is not modified in this respect of this matter.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report comprises the director's 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 our 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.

Other Matter

The comparative financial information of the Company for the year ended 31 March, 2020 and the transition date opening balance sheet as at 1 April, 2019 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules 2006 audited by the predecessor auditor whose report for the year ended 31 March, 2020 and 31 March, 2019 dated 12 June, 2020 and 06 May, 2019 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 with reference to financial statements 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 Standalone Ind AS 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including standalone Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACF1272

Place: Noida
Date: 25 May, 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of EICL Limited on the standalone financial statements as of and for the year ended 31 March, 2021)

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head property, plant and equipment) are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

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

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, 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 made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products 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 cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues outstanding in respect of duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ / Lacs)	Amount paid under Protest (₹ / Lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	1,073.70	17.48	Year 2000 to 2004	Hon'ble Supreme Court of India	
Central Excise Act, 1944	Demand with respect to classification of maize starch	611.11	-	Year 1997 to 2001	Hon'ble Supreme Court of India	
Kerala Value Added Tax Act, 2013	Statutory dues	3.09	-	2013-14	Assistant Commissioner Kerala Good and Services Tax department	
Kerala Value Added Tax Act, 2013	Statutory dues	10.14	-	2014-15	Assistant Commissioner Kerala Good and Services Tax department	
Kerala Value Added Tax Act, 2013	Statutory dues	172.94	-	2015-16	Assistant Commissioner Kerala Good and Services Tax department	

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACF1272

Place: Noida
Date: 25 May, 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of EICL Limited on the standalone financial statements as of and for the year ended 31 March, 2021)

Independent Auditor's report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **EICL Limited** ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's 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 Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACF1272

Place: Noida
Date: 25 May, 2021

STANDALONE Balance Sheet as at 31 March, 2021

(₹ in Lacs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Assets				
1 Non-current assets				
a. Property, plant and equipment	3	14,814.52	15,084.62	16,624.19
b. Capital work in progress		53.09	551.56	1,025.24
c. Other intangible assets	4	3.59	7.50	9.62
d. Right to use assets	5	110.10	117.58	587.36
e. Financial assets				
i. Investments	6	55.00	5.00	5.00
ii. Other financial assets	7	228.62	248.14	214.51
f. Deferred tax assets	10	228.57	-	-
g. Other non current assets	8	2,417.62	2,230.85	1,996.87
		17,911.11	**18,245.25**	**20,462.79**
2 Current assets				
a. Inventories	9	1,773.55	2,062.27	2,105.25
b. Financial assets				
i. Trade receivables	11	2,138.45	2,576.99	2,659.83
ii. Cash and cash equivalents	12	15.19	22.00	1,931.58
iii. Other bank balances	13	20.86	21.48	33.26
iv. Other financial assets	7	200.21	268.45	59.79
c. Other current assets	8	422.63	461.66	1,408.42
		4,570.89	**5,412.85**	**8,198.13**
Non-current assets classified as held for sale	14	4,401.52	4,401.52	2,482.82
Total assets		**26,883.52**	**28,059.62**	**31,143.74**
Equity and liabilities				
1 Equity				
a. Equity share capital	15	1,005.52	1,005.52	1,005.52
b. Other equity	16	16,563.08	17,663.44	18,751.75
Total equity		**17,568.60**	**18,668.96**	**19,757.27**
2 Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	17	888.87	837.82	-
ii. Other financial liabilities	18	63.06	94.85	124.33
b. Provisions	19	2,043.77	2,006.78	1,914.74
c. Deferred tax liabilities (Net)	10	-	103.10	784.38
		2,995.70	**3,042.55**	**2,823.45**
Current liabilities				
a. Financial liabilities				
i. Borrowings	20	2,498.16	1,703.31	4,452.72
ii. Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	21	111.17	106.88	121.16
- Total outstanding dues of other than micro enterprises and small enterprises	21	2,395.31	3,818.14	3,258.71
iii. Other financial liabilities	22	850.15	270.95	92.35
b. Provisions	19	161.39	210.80	223.22
c. Other current liabilities	23	192.67	140.88	298.78
d. Current tax liabilities (Net)	24	110.37	97.15	116.08
		6,319.22	**6,348.11**	**8,563.02**
Total liabilities		**9,314.92**	**9,390.66**	**11,386.47**
Total equity and liabilities		**26,883.52**	**28,059.62**	**31,143.74**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

STANDALONE Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in Lacs)

		Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
I	Revenue from operations	25	10,448.28	20,226.81
II	Other income	26	130.01	316.99
III	**Total income (I + II)**		**10,578.29**	**20,543.80**
IV	**Expenses**			
	Cost of materials consumed	27	2,173.92	5,651.59
	Purchases of stock-in-trade	28	1,402.50	1,868.96
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(81.35)	158.35
	Employee benefits expense	30	2,418.60	3,832.15
	Finance costs	31	547.99	727.51
	Depreciation and amortisation expense	32	937.17	909.37
	Other expenses	33	4,692.68	8,846.85
	Total expenses (IV)		**12,091.51**	**21,994.78**
V	**Loss before exceptional items and tax (III-IV)**		**(1,513.22)**	**(1,450.98)**
VI	Exceptional items (loss) / gain	34	-	(563.05)
VII	**Loss before tax (V-VI)**		**(1,513.22)**	**(2,014.03)**
VIII	**Tax expense**			
	Current tax	35	-	-
	Income tax expense related to earlier year	35	-	(195.10)
	Deferred tax	10	(352.11)	(693.69)
			(352.11)	**(888.79)**
IX	**Loss for the year (VII-VIII)**		**(1,161.11)**	**(1,125.24)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	i. Re-measurement of defined benefit plans		81.18	49.35
	ii. Income tax relating to items that will not be reclassified to profit or loss	35	20.43	12.42
	Other comprehensive income for the year		**60.75**	**36.93**
XI	**Total comprehensive income for the year (IX+X)**		**(1,100.36)**	**(1,088.31)**
XII	**Earning per equity share**	36		
	Equity shares of face value ₹ 2 each			
	Basic (₹ per share)		(2.31)	(2.24)
	Diluted (₹ per share)		(2.31)	(2.24)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

STANDALONE Statement of Changes in Equity for the year ended 31 March, 2021

A. Equity share capital

	No. of shares	(₹ in Lacs)
Equity shares of ₹ 2 each issued, subscribed and fully paid		
Balance as at 1 April, 2019	**5,02,76,013**	**1,005.52**
Issue of equity share capital	-	-
Balance as at 31 March, 2020	**5,02,76,013**	**1,005.52**
Issue of equity share capital	-	-
Balance as at 31 March, 2021	**5,02,76,013**	**1,005.52**

B. Other equity

(₹ in Lacs)

	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	Total
Balance as at 1 April, 2019	**6.34**	**3,441.38**	**5,566.85**	**9,737.18**	**-**	**18,751.75**
Loss for the year	-	-	-	(1,125.24)	-	(1,125.24)
Other comprehensive income for the year, net of income tax	-	-	-	-	36.93	36.93
Balance as at 31 March, 2020	**6.34**	**3,441.38**	**5,566.85**	**8,611.94**	**36.93**	**17,663.44**
Loss for the year	-	-	-	(1,161.11)	-	(1,161.11)
Other comprehensive income for the year, net of income tax	-	-	-	-	60.75	60.75
Balance as at 31 March, 2021	**6.34**	**3,441.38**	**5,566.85**	**7,450.83**	**97.68**	**16,563.08**

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

STANDALONE Statement of Cash Flows for the year ended 31 March, 2021

(₹ in Lacs)

		Year ended 31 March, 2021	Year ended 31 March, 2020
A.	**Cash flow from operating activities**		
	Loss before tax	(1,513.22)	(2,014.03)
	Adjustments for :		
	Depreciation and amortisation expense	937.17	909.37
	Provision for bad trade and other receivables, loans and advances	12.03	51.42
	Interest on borrowings	408.17	613.08
	Interest from banks on deposits	(29.51)	(89.74)
	Loss on sale of property, plant and equipment	4.80	20.03
	Unrealised foreign exchange (gain)/loss	15.54	(26.73)
		(165.02)	**(536.60)**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	288.72	42.98
	Trade receivables	410.97	58.15
	Other current financial assets	73.59	(221.67)
	Other current assets	39.65	958.54
	Other non-current financial assets	19.52	(33.63)
	Other non current assets	(264.76)	(344.99)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(1,418.54)	545.15
	Other financial liabilities	(29.12)	(27.49)
	Provisions	68.76	128.97
	Other current liabilities	51.79	(157.90)
	Cash generated from operating activities	**(924.44)**	**411.51**
	Income taxes refund (net)	13.22	176.17
	Net cash generated from/(used in) operating activities	**(911.22)**	**587.68**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment, including capital advances	(59.04)	(229.29)
	Capital expenditure on intangible assets under development	-	(3.04)
	Sale proceeds of property, plant and equipment	21.94	3.21
	Investment in subsidiaries	(50.00)	-
	Interest income on bank deposits	24.16	102.75
	Net cash generated from/(used in) investing activities	**(62.94)**	**(126.37)**
C.	**Cash flows from financing activities**		
	Proceeds from/ (repayment of) borrowings		
	- Receipts	1,709.26	1,000.00
	- Repayments	(153.77)	(2,000.00)
	Proceeds from/ (repayment of) cash credits/working capital demand loan (net)	(205.15)	(749.40)
	Interest paid	(382.98)	(621.49)
	Net cash generated from/(used in) financing activities	**967.36**	**(2,370.89)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(6.80)**	**(1,909.58)**
	Cash and cash equivalents at the beginning of the year	22.00	1,931.58
	Cash and cash equivalents at the end of year	**15.19**	**22.00**

1) The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on 'Statement of Cash Flows'.
2) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

EICL Limited, a Company incorporated in India in 1963, under the Companies Act 1956, was part of the erstwhile Thapar Group. The registered office of the Company is at TC-79/4, Veli Thiruvananthapuram – 695 021, Kerala. The Company is engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay.

2 Significant Accounting Policies :

2.1 Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

Upto the year ended 31 March, 2020, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2019.

Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31 March, 2020 and 1 April, 2019 and of the comprehensive net income for the year ended 31 March, 2020.

These financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Refer Note 2.26 for details of first-time adoption exemptions availed by the Company.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

2.3 Basis of preparation and presentation

Separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for

- Financial instruments – measured at fair value;
- Assets held for sale – measured at lower of fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- In addition, certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Use of estimates

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

The areas involving critical estimates or judgments are:

- Decommissioning and restoration provision
- Fair value of unlisted equity securities
- Determination of cash generating unit (CGU)
- Useful life of intangible asset
- Defined benefit obligation
- Current tax expense and current tax payable
- Deferred tax assets for carried forward tax losses
- Impairment of financial assets

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

2.5 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, it is probable that future economic benefits will flow to the Company and specific criteria have been met, 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. Amounts disclosed as revenue are net of discounts, sales incentives, rebates granted, returns, sales taxes/value added taxes/goods and service tax/ and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer.

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

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Leases

The Company has applied Ind AS 116 using the modified retrospective approach.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.8 Foreign currencies

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.9 Employee benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries including incentive and bonus, annual leave and sick leave (leave comprises compensated absences) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The casual leave, if not availed are lapsed at the end of the year and are not accumulated for future period.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Property plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Assets costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

Subsequent expenditure and componentisation

Parts of an item of property, plant and equipment having different useful lives and significant value and subsequent expenditure on Property, Plant and

Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a site, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognised is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of site or Property, Plant and Equipment.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Depreciation is computed on Straight-Line Method ('SLM') based on useful lives, determined based on internal technical evaluation as follows:

Type of Assets	Method	Useful lives estimated by the management
Factory and other buildings	SLM	3- 60 years
Plant and equipment	SLM	10- 25 years
Furniture and fixtures	SLM	10 years
Office equipment	SLM	5 years
Vehicle and cycles	SLM	8 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer 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.

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.

Derecognition

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.

2.12 Intangible assets

The Company has elected to continue with the carrying value of all of its Intangible assets as at the transition date, viz., 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets and intangible assets under development are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset go that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets.

Estimated useful lives of the intangible assets are as follows:

Computer software: 5 years

The amortisation period and method are reviewed at each year end.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior year. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14 Inventories

Inventories, including stores and spare parts (other than stores and spares accounted for as Property, Plant and Equipment), raw materials (including clay matrix-mined and purchased) are valued at weighted average cost. Work in progress and finished goods, are valued at lower of standard cost and net realisable value. Cost includes direct expenses and is determined on the basis of weighted average method.

Total mining expenses are considered as raw material cost for clay matrix – mined.

In respect of finished goods and work in progress, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition based on normal operating capacity.

2.15 Non-current assets or disposal held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Such assets or disposal groups are classified only when both the conditions are satisfied –

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject

only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are me.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18 Cash and Cash Equivalents

Cash and cash equivalents 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 change in value.

2.19 Significant Judgements and Key sources of Estimation in applying Accounting Policies

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates.

The areas involving critical estimates or judgments are:

i. **Useful lives of property, plant and equipment :** Management reviews its estimate of the useful lives at each reporting date, based on the expected utility of the assets.

ii. **Valuation of deferred tax assets :** Recognized is based on an assessment of the probability of the Company's future taxable income.

iii. **Fair value measurement of financial instruments :** Based on Discounted Cash Flow model when quoted price are not available.

iv. **Provisions and Contingencies :** Evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

v. **Defined Benefit Obligation (DBO) :** Measured based on actuarial assumptions which include mortality and withdrawal rates. Company considers that the assumptions used to measure its obligations are appropriate.

vi **Allowances for Doubtful Debts :** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount.

vii. Warranty : Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Investments in subsidiaries

The investments in subsidiaries are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.22 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.23 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.24 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability , or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.25 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.26 First-time adoption-mandatory exceptions, optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2019 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2019 ('the transition date').

Deemed cost for PPE and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Assessment of embedded derivatives

The Company has assessed whether an embed derivatives is required to be separated from the host contract and accounted for as a derivative on the basis of conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would required under the contract.

Investment in subsidiary

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1st April, 2019 in its standalone financial statements and use that carrying values as its deemed cost as of the transition date.

2.27 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

i. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

v. Details of unutilised funds borrowed from banks and financial institutions for specified purposes;

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

vi. Details of charges or satisfaction yet to be registered with ROC beyond the statutory period;

vii. 11 Ratios and reasons for any changes beyond 25% in comparison to the preceding year;

Statement of profit and loss:

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
Cost or deemed cost							
Balance as at 1 April, 2019	8,096.81	1,997.17	6,232.04	72.55	76.69	148.93	16,624.19
Additions	49.44	198.30	569.87	-	10.26	9.11	836.98
Disposals	-	-	2.78	-	23.38	2.74	28.90
Transferred to assets held for sale	1,310.79	179.30	-	-	-	-	1,490.09
Balance as at 31 March, 2020	**6,835.46**	**2,016.17**	**6,799.13**	**72.55**	**63.57**	**155.30**	**15,942.18**
Additions	-	31.17	600.08	-	4.90	-	636.15
Disposals	-	-	4.21	-	-	31.88	36.09
Balance as at 31 March, 2021	**6,835.46**	**2,047.34**	**7,395.00**	**72.55**	**68.47**	**123.42**	**16,542.24**
Accumulated depreciation							
Balance as at 1 April, 2019	-	-	-	-	-	-	-
Depreciation expense	9.87	142.36	645.53	10.57	25.31	31.91	865.55
Elimination on disposals of assets	-	-	2.78	-	2.57	0.31	5.66
Transferred to assets held for sale	-	2.33	-	-	-	-	2.33
Balance as at 31 March, 2020	**9.87**	**140.03**	**642.75**	**10.57**	**22.74**	**31.60**	**857.56**
Depreciation expense	9.87	140.62	667.18	8.82	22.99	30.03	879.51
Elimination on disposals of assets	-	-	1.06	-	-	8.29	9.35
Balance as at 31 March, 2021	**19.74**	**280.65**	**1,308.87**	**19.39**	**45.73**	**53.34**	**1,727.72**
Net carrying amount							
Balance as at 1 April, 2019	**8,096.81**	**1,997.17**	**6,232.04**	**72.55**	**76.69**	**148.93**	**16,624.19**
Balance as at 31 March, 2020	**6,825.59**	**1,876.14**	**6,156.38**	**61.98**	**40.83**	**123.70**	**15,084.62**
Balance as at 31 March, 2021	**6,815.72**	**1,766.69**	**6,086.13**	**53.16**	**22.74**	**70.08**	**14,814.52**

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

Property, plant and equipment (₹ in Lacs)

	Lease hold land	Leasehold improvements	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
As at April 01, 2019									
Gross block	438.22	62.50	9,576.34	3,572.83	16,251.77	218.79	297.48	254.19	30,672.12
Accumulated depreciation	0.71	59.89	1,479.54	1,575.66	10,019.73	146.24	220.79	105.26	13,607.82
Net block	**437.51**	**2.61**	**8,096.80**	**1,997.17**	**6,232.04**	**72.55**	**76.69**	**148.93**	**17,064.30**
As at March 31, 2020									
Gross block	0.15	62.50	8,314.99	3,591.83	16,818.86	218.79	211.27	258.42	29,476.81
Accumulated depreciation	0.15	59.89	0.21	1,715.69	10,662.48	156.81	170.44	134.72	12,900.39
Net block	**-**	**2.61**	**8,314.78**	**1,876.14**	**6,156.38**	**61.98**	**40.83**	**123.70**	**16,576.42**

Notes:

i. The Company has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. Land includes provision for site restoration w.r.t. mining land used by the Group for clay business amounting to ₹ 1,554.56 lacs in the Indian GAAP (previous GAAP) which is not amortised till 31 March 2020, however on application of IND AS, the amortisation impact since initiation of site restoration provision has been adjusted in IND AS 101 financial statements as at 1 April 2019. Accordingly the net Carrying value as on 31 March, 2021 ₹ 55.39 lacs, 31 March, 2020 ₹ 65.26 lacs and 1 April, 2019 ₹ 75.13 lacs.

iii. Additions to plant and machinery include additions to research and development assets amounting to Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 44.24 lacs) and depreciation charge for the year includes ₹ 49.20 lacs (31 March, 2020 ₹ 52.41 lacs and 1 April, 2019 ₹ 57.19 lacs) on account of research and development assets.

iv. Additions to factory and other buildings includes Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 5.63 lacs) and additions to plant and machinery includes Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 8.83 lacs) on account of capitalisation of foreign exchange fluctuation of long term borrowings.

4 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Computer software	Total
Cost or deemed cost		
Balance as at 1 April, 2019	9.62	9.62
Additions	3.04	3.04
Disposals	0.24	0.24
Balance as at 31 March, 2020	**12.42**	**12.42**
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2021	**12.42**	**12.42**
Amortisation		
Balance as at 1 April, 2019	-	-
Amortisation expense	4.98	4.98
Disposals	0.06	0.06
Balance as at 31 March, 2020	**4.92**	**4.92**
Amortisation expense	3.91	3.91
Disposals	-	-
Balance as at 31 March, 2021	**8.83**	**8.83**
Net carrying amount		
Balance as at 1 April, 2019	**9.62**	**9.62**
Balance as at 31 March, 2020	**7.50**	**7.50**
Balance as at 31 March, 2021	**3.59**	**3.59**

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows: (₹ in Lacs)

	Computer software	Total
As at April 01, 2019		
Gross block	252.40	252.40
Accumulated depreciation	242.78	242.78
Net block	**9.62**	**9.62**
As at March 31, 2020		
Gross block	242.83	242.83
Accumulated depreciation	235.33	235.33
Net block	**7.50**	**7.50**

Notes:

i. The Company has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5 RIGHT TO USE ASSETS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Right to use assets (refer note "47")	110.10	117.58	587.36
	110.10	**117.58**	**587.36**

6 INVESTMENTS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Unquoted (Carried at fair value)			
a. Investment in equity instruments			
- Kerala Enviro Infrastructures Limited {50,000 (31 March 2020: 50,000, 31 March 2019: 50,000) Equity shares carrying face value of 10 ₹ each Fully paid}	5.00	5.00	5.00
Unquoted (Carried at cost)			
b. Investment in equity instruments	50.00	-	-
- in subsidiary Company Kaolin India Private Limited {500,000 (31 March 2020: Nil, 31 March 2019: Nil) Equity shares carrying face value of 10 ₹ each Fully paid}			
	55.00	**5.00**	**5.00**

7 OTHER FINANCIAL ASSET

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
I. Non-current			
a. Security deposits	195.00	215.08	189.54
b. Duty / taxes paid under protest recoverable (also refer note 37.1)	17.48	17.48	22.50
c. Margin money deposits (see note below)	16.14	15.58	2.47
	228.62	**248.14**	**214.51**

Note

Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credit.

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
II. Current			
a. Advance to related parties	2.00	2.00	2.00
b. Accrued interest on bank deposits	-	-	13.01
c. Accrued interest on other deposits	5.35	-	-
d. Security deposits	-	11.26	44.78
e. Balances with government authorities	192.86	255.19	-
	200.21	**268.45**	**59.79**

8 OTHER ASSETS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
I. Non-current			
a. Advances for purchase of property, plant and equipment	6.03	84.02	195.03
b. Prepayments	9.04	17.82	22.35
c. Balances with government authorities	2,315.30	2,063.56	1,466.79
d. Plan asset over present value of gratuity obligation	87.25	65.45	312.70
	2,417.62	**2,230.85**	**1,996.87**
II. Current			
a. Advances to suppliers	133.95	85.09	65.58
b. Advances to employees	55.45	85.46	104.85
c. Prepayments	115.54	58.52	84.66
d. Balances with government authorities	86.28	217.64	1,153.33
e. Other advances	31.41	14.95	-
	422.63	**461.66**	**1,408.42**

9 INVENTORIES

(lower of cost and net realisable value) (₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Raw materials	229.05	617.16	334.14
b.	Stores and spares	623.50	605.46	773.11
c.	Work in progress (see note "I" below)	52.96	81.85	72.50
d.	Finished goods (see note "II" below)	868.04	757.80	925.50
		1,773.55	**2,062.27**	**2,105.25**

Note:

I Includes by-products and others of ₹ 0.01 lacs (31 March, 2020 ₹ 1.24 lacs and 1 April, 2019 ₹ 2.21 lacs).

II Includes by-products of ₹ 35 lacs (31 March, 2020 ₹ 20.37 lacs and 1 April, 2019 ₹ 28.22 lacs) and traded goods of clay products of ₹ 52.22 lacs (31, March 2020 ₹ 30.18 lacs and 1 April, 2019 ₹ 83.33 lacs).

10 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Deferred tax assets	228.57	-	-
Deferred tax liabilities	-	103.10	784.38

(₹ in Lacs)

	Opening Balance	Recognised in Profit or loss [(Charge)/ income]	Recognised in other comprehensive Income	Closing balance
2020-21				
Deferred tax (liabilities) / assets in relation to				
Property, plant and equipment	(1,149.24)	25.12	-	(1,124.12)
Employee benefit obligation	64.76	(4.60)	(20.43)	39.73
Tax impact of expenses chargeable in the financial statements but allowable under the Income Tax Act, 1961 in future years	85.49	(65.32)	-	20.17
Site restoration on land	380.75	-	-	380.75
Lease obligation	1.36	1.61	-	2.97
Business loss and unabsorbed depreciationsee note below)	401.17	378.88	-	780.05
Site restoration obligation	112.60	16.42	-	129.02
	(103.10)	**352.11**	**(20.43)**	**228.57**
2019-20				
Deferred tax (liabilities) / assets in relation to				
Property, plant and equipment	(1,630.82)	481.58	-	(1,149.24)
Employee benefit obligation	97.62	(20.44)	(12.42)	64.76
Tax impact of expenses chargeable in the financial statements but not allowable under the Income Tax Act, 1961 in future years	99.72	(14.23)	-	85.49
Site restoration on land	528.65	(147.90)	-	380.75
Lease obligation	-	1.36	-	1.36
Business loss and unabsorbed depreciation(see note below)	-	401.17	-	401.17
Site restoration obligation	120.46	(7.86)	-	112.60
	(784.38)	**693.69**	**(12.42)**	**(103.10)**

Note:

The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Liabilities (net) as at 1 April, 2019 basis the rate prescribed in the said section. The impact of re-measurement of Deferred Tax Liabilities (net) as at 1 April, 2019 amounting to ₹ 219.43 lacs has been recognised in the Statement of Profit and Loss for the year ended 31 March, 2020.

11 TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Secured, considered good	77.01	208.52	54.31
b. Unsecured, considered good	2,061.44	2,368.47	2,605.52
c. Unsecured, considered doubtful	77.17	336.71	285.30
Less: Allowances for doubtful debts (expected credit loss allowances)	(77.17)	(336.71)	(285.30)
Total	**2,138.45**	**2,576.99**	**2,659.83**
Notes:			
i. The above amount of trade receivables also includes amount receivable from its related parties (refer note 48A).	13.31	7.78	-

ii. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

iii. Debtors amounting to ₹ 271.57 Lacs has been written off against provisions and new provision created during the year amounts to ₹ 12.03 Lacs.

12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Balances with banks			
- on current accounts	14.01	14.18	23.44
- in demand deposit accounts with maturity of less than three months	-	-	1,900.00
b. Cash on hand	1.18	7.82	8.14
	15.19	**22.00**	**1,931.58**

13 OTHER BANK BALANCES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Margin money deposits	-	-	11.98
b. Unpaid dividend accounts	20.86	21.48	21.28
	20.86	**21.48**	**33.26**

14 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Fixed assets held for sale (at lower of cost and net realisable value) (see note below)	4,401.52	4,401.52	2,482.82
	4,401.52	**4,401.52**	**2,482.82**

Note:

Fixed assets held for sale represent land and buildings of gross book value ₹ 4,810.04 lacs (31 March, 2020 ₹ 4,810.04 lacs and 1 April, 2019 ₹ 2,881.88 lacs) and net book value ₹ 4,401.52 lacs (31 March, 2020 ₹ 4,401.52 lacs and 1 April, 2019 ₹ 2,482.82 lacs) located at Shimoga and Cuddalore unit, which management intends to divest within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates. During the year company has received an offer for sale of Shimoga land & building appurtenant thereto carrying net book value of ₹ 2482.82 lacs.

15 EQUITY SHARE CAPITAL

	As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Authorised						
Equity shares of ₹ 2 each	9,00,00,000	1,800.00	9,00,00,000	1,800.00	9,00,00,000	1,800.00
Preference shares of ₹ 100 each	30,00,000	3,000.00	30,00,000	3,000.00	30,00,000	3,000.00
	9,30,00,000	**4,800**	**9,30,00,000**	**4,800**	**9,30,00,000**	**4,800**
Issued, subscribed and fully paid up						
Equity shares of ₹ 2 each	5,02,76,013	1,005.52	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Total	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**

a. Movement in share capital

	Year ended 31 March, 2021		Year ended 31 March, 2020		As at 1 April, 2019	
Equity shares	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Balance as at the beginning of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Add: Increase during the year	-	-	-	-	-	-
Balance as at the end of the year	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder 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.

The Company has neither issued any equity shares for consideration other than cash nor any bonus shares issued during the immediately preceding five financial years. Also there has been no buy back of shares either in the aforesaid period.

c. Shares held by holding Company

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
	No. of shares	No. of shares	No. of shares
Equity shares			
DBH International Private Limited	-	3,26,61,297	3,26,78,691
Karun Carpets Private Limited	4,60,78,066	-	-
	4,60,78,066	**3,26,61,297**	**3,26,78,691**

d. Details of shareholders holding more than 5% shares in the Company

	As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
Name of shareholder	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
DBH International Private Limited	-	-	3,26,78,691	65.00%	3,26,78,691	65.00%
Karun Carpets Private Limited	4,60,78,066	91.65%	1,33,99,375	26.65%	1,33,99,375	26.65%

e. Pursuant to filing of Scheme of Amalgamation by Karun Carpets Private Limited (one of the promoter of the Company) before the National Company Law Tribunal ("NCLT"), Chandigarh, for amalgamation of DBH International Private Limited ["DBHI"], Bharat Starch Products Private Limited ["BSPL"], DBH Investments Private Limited ["DBHInv"] into Karun Carpets Private Limited ["KCPL"], the NCLT, Chandigarh has approved the Scheme vide its order dated December 4, 2020 and KCPL has filed the said order with the Registrar of Companies on December 23, 2020. Accordingly, the Company has now become subsidiary of KCPL from December 23, 2020. The appointed date for the said merger is 1 April, 2018.

16 OTHER EQUITY

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Capital Reserve	6.34	6.34	6.34
b.	Capital Redemption Reserve	3,441.38	3,441.38	3,441.38
c.	General Reserve	5,566.85	5,566.85	5,566.85
d.	Retained earnings	7,450.83	8,611.94	9,737.18
e.	Other comprehensive income	97.68	36.93	-
		16,563.08	**17,663.44**	**18,751.75**

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020
Other equity consist of the following		
i. Capital Reserve		
Balance at the beginning of year	6.34	6.34
Addition during the year	-	-
	6.34	**6.34**
ii. Capital Redemption Reserve		
Balance at the beginning of year	3,441.38	3,441.38
Addition during the year	-	-
	3,441.38	**3,441.38**
iii. General Reserve		
Balance at the beginning of year	5,566.85	5,566.85
Addition during the year	-	-
	5,566.85	**5,566.85**
iv. Retained earnings		
Balance at the beginning of year	8,611.94	9,737.18
Loss for the year	(1,161.11)	(1,125.24)
Appropriations:		
Final dividends relating to previous year	-	-
Corporate dividend tax	-	-
	7,450.83	**8,611.94**
v. Other comprehensive income		
Balance at the beginning of year	36.93	-
Add:		
- Re-measurement of defined benefit plans (net of tax)	60.75	36.93
	97.68	**36.93**

Notes:

i. **Capital Redemption Reserve**

The Companies Act, 2013 (the "Companies Act') requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to Shareholders of the Company as fully paid bonus shares. EICL Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

ii. **Capital Reserve**

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

iii. **General Reserve**

The Company had transferred a part of the net profit of the Company to general reserve in earlier years.

iv. **Retained earnings**

Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.

v. **Other comprehensive income**

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

17 NON-CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
	Non-current	Current	Non-current	Current	Non-current	Current
a. Term loans (secured)						
- From banks						
HDFC Bank Limited (see note 'i' below)	691.25	654.97	837.82	153.77	-	-
Axis Bank Limited (see note 'ii' below)	197.62	11.63	-	-	-	-
	888.87	**666.60**	**837.82**	**153.77**	**-**	**-**
Less: transferred to current maturities of long term borrowings	-	666.60	-	153.77	-	-
	888.87	**-**	**837.82**	**-**	**-**	**-**

Note:

i. Term loan from HDFC bank

a. Terms of repayment

Secured term loan of ₹ 1,500 lacs was sanctioned by HDFC Bank Limited during 2019-20, which are repayable in 9 equated quarterly instalments starting from February 2021. Interest to be paid separately as and when due.

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
i. April 2019 to March 2020	-	-	-
ii. April 2020 to March 2021	-	153.77	-
iii. April 2021 to March 2022	654.97	837.82	-
iv. April 2021 to March 2022	691.25	-	-
	1,346.22	**991.59**	**-**

b. Rate of interest: 1 year MCLR+0.85%. Effective interest rate is 8.75%

c. Security

Term loans from banks are secured by first pari passu charge on fixed assets (including factory land and building located in Thonnakal unit of the company).

d. Current maturities of long term borrowings are disclosed under the head other current financial liabilities

ii. Term loan (working capital term loan) from Axis bank

a. Terms of repayment

The working capital term loan of ₹ 279 lacs (availed till 31 March, 2021 ₹ 209.25 lacs) was sanctioned by Axis Bank Limited during 2020-21, which is repayable in 36 equated monthly instalments starting from February 2022. Interest to be paid separately as and when due.

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
i. April 2021 to March 2022	11.63	-	-
ii. April 2022 to March 2023	69.75	-	-
iii. April 2023 to March 2024	69.75	-	-
iv. April 2024 to March 2025	58.12	-	-
	209.25	**-**	**-**

b. Rate of interest: 1 year MCLR+1%. Effective interest rate is 8.45%

c. Security

Term loans from banks are secured by second pari passu charge by way of hypothecation on the entire current assets both present & future and second pari passu charge on the movable & immovable assets including factory land & building at Thonnakal unit of the company.

d. Current maturities of long term borrowings are disclosed under the head other current financial liabilities.

18 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Deposits from vendors	2.47	2.53	3.58
b.	Deposits from customers	0.40	0.40	0.40
c.	Payable for Lease Obligation (refer note 47)	60.19	91.92	120.35
		63.06	**94.85**	**124.33**

19 PROVISIONS

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Non-current				
a.	Provision for employee benefits			
	i. Leave Encashment	18.30	46.54	57.18
b.	Site restoration obligation (Refer Note I below)	2,025.47	1,960.24	1,857.56
		2,043.77	**2,006.78**	**1,914.74**
Note				
I	Site restoration obligation w.r.t. mining land of clay business is recognised on 01 April 2016 in view of the requirement of Ind AS 17 - "Property, Plant and Equipment" read with Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets". The details are given below:			
	Opening present value of obligation	**1,960.24**	**1,857.56**	**1,713.77**
	Add : Finance charge during the year	124.42	102.68	157.56
	Less : Expenses incurred during the year	(59.19)	-	(13.77)
	Closing present value of obligation	**2,025.47**	**1,960.24**	**1,857.56**
Current				
a.	Provision for employee benefits			
	i. Compensated absences	161.39	210.80	223.22
		161.39	**210.80**	**223.22**

20 CURRENT BORROWINGS

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Secured				
i.	Cash credit account with scheduled banks (note a and b)			
	- Axis Bank Limited	1,284.57	981.79	241.70
	- ICICI Bank Limited	-	494.62	962.22
	- HDFC Bank Limited	213.59	226.90	248.80
ii.	Working capital demand loans (note a and b)			
	- Axis Bank Limited	-	-	1,000.00
Unsecured				
i.	Short term loan			
	- HDFC Bank Limited	-	-	2,000.00
ii.	Intercorporate deposits	1,000.00	-	-
		2,498.16	**1,703.31**	**4,452.72**

Notes:

a. Cash credit facility and working capital demand loans along with bank guarantees and letter of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts of the Company.

b. Cash credit facility and working capital demand loans from the bank comprises of the following:

i. (i) Cash credit facility/working capital demand loan of ₹ 2,500 lacs sanctioned by Axis Bank is repayable on demand and carries interest @ 1 year MCLR + 1% presently 8.45% p.a (2019-20 : 3 months MCLR + 1 % p.a).

ii. Cash credit facility ₹ 1,500 lacs from HDFC Bank is repayable on demand and carries interest @ 1 year MCLR +0.85% presently 8.05% p.a (2019-20 : 1 year MCLR + 0.85% p.a).

21 TRADE PAYABLES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Total outstanding dues of micro enterprises and small enterprises (see note 'iii' below)	111.17	106.88	121.16
b.	Total outstanding dues of other than micro enterprises and small enterprises	2,395.31	3,818.14	3,258.71
		2,506.48	**3,925.02**	**3,379.87**

Notes:

i.	The above amount of trade payables also includes amount payable to its related parties (refer note 48A).	-	-	-
ii.	The average credit period for purchase of certain goods and services are from 15 to 90 days. No interest is chargeable on trade payables.			
iii.	The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:			
	a. Amount payable to suppliers under MSMED (suppliers) as on 31 March			
	- Principal	111.17	106.88	121.16
	- Interest	-	-	-
	b. Payments made to supplier beyond the appointed day during the year			
	- Principal	-	-	-
	- Interest	-	-	-
	c. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest under MSMED	-	-	-
	d. Amount of interest accrued and remaining unpaid as on 31 March	-	-	-
	e. Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-	-

22 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Unpaid dividends	20.86	21.48	21.28
b.	Payable for purchase of property, plant and equipment	63.70	63.05	40.05
c.	Retention money	28.50	4.20	4.13
d.	Payable for Lease Obligation (refer note 47)	53.71	28.45	26.89
e.	Interest accrued but not due on borrowings	16.78	-	-
f.	Current maturities of long-term debts	666.60	153.77	-
		850.15	**270.95**	**92.35**

23 OTHER CURRENT LIABILITIES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Advances from customers	34.86	54.97	54.31
b.	Statutory dues (see note i)	53.64	81.39	101.51
c.	Other payables (see note ii)	104.17	4.52	142.96
		192.67	**140.88**	**298.78**

Notes:

i. Statutory dues includes GST payable, Provided fund payable, TDS, ESI etc.

ii. Includes ₹ 100 lacs (31 March 2020 Nil, 31 March 2019 Nil) received for sale of Shimoga land which is shown under assets held for sale (refer note 14).

24 CURRENT TAX LIABILITIES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Provision for income tax [net of advance taxes paid including tax deducted at source ₹ 5,731.21 Lacs (31 March 2020 ₹ 5,744.44 Lacs, 31 March 2019 ₹ 7,042.98 lacs)]	110.37	97.15	116.08
	110.37	**97.15**	**116.08**

25 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Sale of products (see note i and ii below)	10,431.83	20,202.06
Other operating revenues:		
- Scrap sales	16.45	24.75
	10,448.28	**20,226.81**
Note		
i. Reconciliation of Gross Revenue from contract with customers		
Gross Revenue	10,715.73	20,612.58
Less: Discount	237.46	312.54
Less: Returns	46.44	97.98
Net Revenue from contract with customers	**10,431.83**	**20,202.06**
ii. Details of products sold		
- Clay products	10,344.39	19,747.50
- By-products and others	103.89	479.31
	10,448.28	**20,226.81**

26 OTHER INCOME

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Interest income earned on financial assets that are not designated as fair value through profit or loss:		
i. Interest from banks on deposits	29.51	89.74
ii. Security Deposit	0.48	0.63
iii. Interest on income tax refund	-	52.67
b. Profit on foreign exchange fluctuations (net)	-	33.93
c. Service charges	76.24	105.52
d. Liabilities / provisions no longer required written back	0.62	1.80
e. Miscellaneous income	23.16	32.70
	130.01	**316.99**

27 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventory at the beginning of the year	617.16	334.14
Add: Purchases	1,785.81	5,934.61
Less: Inventory at the end of the year	229.05	617.16
Cost of raw material and components consumed	**2,173.92**	**5,651.59**

28 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Purchase of traded goods	1,402.50	1,868.96
	1,402.50	**1,868.96**

29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening inventories		
Finished goods		
- Manufactured	757.80	925.50
- Work in Progress	81.85	72.50
	839.65	**998.00**
Closing inventories		
Finished goods		
- Manufactured	868.04	757.80
- Work in Progress	52.96	81.85
	921.00	**839.65**
	(81.35)	**158.35**

30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Salary, wages and bonus	1,954.42	3,479.91
b. Contribution to provident and other funds	91.73	160.31
c. Gratuity expense (see note below)	59.39	46.61
d Staff welfare expenses	313.06	263.92
	2,418.60	**3,950.75**
Less: Amount capitalised during the year	-	118.60
	2,418.60	**3,832.15**

Notes:

i. Gratuity expenses is netted off with income on trust fund amounting to ₹ 73.30 lacs (31 March, 2020 ₹ 107.55 lacs).

ii. Employee benefit expenses includes research and development expenses (also refer note 38).

31 FINANCE COSTS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest costs		
a. Interest on borrowings	408.17	613.08
b. Amortisation Of Site Restoration Reserve	124.42	102.68
c. Interest on Lease obligation	15.40	11.75
	547.99	**727.51**

32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Depreciation of property, plant and equipment	879.51	865.55
b. Amortisation of intangible assets	3.91	4.98
c. On Right of use Assets	53.75	38.84
	937.17	**909.37**

33 OTHER EXPENSES

(₹ in Lacs)

			Year ended 31 March, 2021	Year ended 31 March, 2020
A.	**Manufacturing expenses**			
	i.	Consumption of stores and spare parts	95.62	255.30
	ii.	Power and fuel	2,712.58	5,251.78
	iii.	Repair and maintenance:		
		- Plant and machinery	239.45	569.37
		- Building	22.13	52.84
		- Others	103.95	109.89
	iv.	Other manufacturing expenses	200.41	405.02
	v.	Royalty charges	59.15	81.83
	Total (A)		**3,433.29**	**6,726.03**
B.	**Administration expenses**			
	i.	Rent (refer note 47)	125.76	188.63
	ii.	Rates and taxes	59.86	74.04
	iii.	Insurance	31.36	20.99
	iv.	Director sitting fees	23.15	19.65
	v.	Office and other expenses (See note ii)	172.48	213.84
	vi.	Legal and professional	55.98	127.58
	vii.	Security service charges	166.21	157.69
	viii.	Payments to auditors (see note i)	26.75	38.00
	ix.	Travelling and conveyance	50.42	135.43
	x.	Charity and donation	8.91	13.73
	xi.	Bad debts written-off	-	2.91
	xii.	Provision for bad trade and other receivables, loans and advances	12.03	51.42
	xiii.	Bank Charges	26.35	35.37
	xiv.	Loss on fixed assets sold/ scrapped/ written off	4.80	20.03
	xv.	Corporate social responsibility (refer note 45)	48.76	55.81
	xvi.	Loss on foreign exchange fluctuations (net)	24.88	-
	Total (B)		**837.70**	**1,155.12**
c.	**Selling and distribution expenses**			
	i.	Freight, forwarding and packing charges	162.74	552.50
	ii.	Sales Commission	47.10	65.12
	iii.	Selling expenses	190.64	301.24
	iv.	Rebates and discount	21.21	46.84
	Total (C)		**421.69**	**965.70**
	Total (A + B + C)		**4,692.68**	**8,846.85**

Note:

i.	Payments to auditors (net of input credit)			
	-	Audit fees	22.00	32.00*
	-	Tax audit fees	2.00	3.00*
	-	Other services	2.50	0.77*
	-	Out of pocket expenses	0.25	2.23*
			26.75	**38.00**

ii. Office and other expenses includes research and development expenses (note 38).

* Paid to erstwhile auditor

34 EXCEPTIONAL ITEM

The Company had incurred ₹ 563.05 lacs in FY 2019-20 on the pre-operative expenditure since inception at its calcined clay project planned at Cuddalore, Tamil Nadu which had been abandoned due to uncertainty on availability of raw materials. The amount so incurred on pre-operative expenditure had been charged to profit and loss account of the previous year and shown as an exceptional item and the Land and building aggregating to ₹ 1,928.16 lacs had been retired from their proposed use and the Board has decided to find an active buyer for the same, accordingly, these assets have been classified as held for sale in Note 14 to the financial statements.

35 INCOME TAXES

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Current tax		
For current year	-	-
	-	**-**
Income tax expense related to earlier year	-	(195.10)
	-	**(195.10)**
Deferred tax		
In respect of the current year	(352.11)	(693.69)
	(352.11)	**(693.69)**
Income tax expense recognised in the statement of profit and loss	**(352.11)**	**(693.69)**
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	20.43	12.42
	(331.68)	**(681.27)**
Reconciliation of tax expense and the accounting profit multiplied by prevailing income tax rate		
Profit before tax	(1,513.22)	(2,014.03)
Income tax rate	25.168%	25.168%
Calculated income tax expenses	(381.00)	(507.00)
Reversal of deferred tax due to change on tax rates	-	(219.44)
Tax effects on non-deductible expenses		
Adjustment on account of carry forward business losses and unabsorbed depreciation	28.89	32.75
Income tax expense	**(352.11)**	**(693.69)**
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	20.43	12.42
	(331.68)	**(681.27)**

36 EARNINGS PER SHARE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Basic earnings per share (₹)	(2.31)	(2.24)
b. Diluted earnings per share (₹)	(2.31)	(2.24)

Earnings per share are as follows:

i. The earnings and weighted number of equity shares used in the calculation of basic earnings per share are as follows:

Net profit attributable to the shareholders	(1,161.11)	(1,125.24)
Weighted average number of outstanding equity shares during the year	50,276,013	50,276,013
Basic earning per share (₹)	(2.31)	(2.24)
Diluted earning per share (₹)	(2.31)	(2.24)

37 COMMITMENTS AND CONTINGENCIES

a. The estimated amount of contracts remaining to be executed on capital amounts and not provided for (net of advances) amount to ₹ 124.57 Lacs (as at 31 March 2020 ₹ 230.60 Lacs and as at 1 April 2019 ₹ 763.63 Lacs).

b. Estimated amount of liability on export obligation remaining to be completed against EPCG scheme and Advance authorisations of amount to ₹ 109.02 Lacs (as at 31 March 2020 ₹ 91.06 Lacs and as at 1 April 2019 ₹ 26.21 Lacs).

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

37.1 Litigations

I a) Demands aggregating to ₹ 1,073.70 lacs for the year 2000 to 2004 with respect to using of lubricating oil and transformer oil in the plant and machinery used for manufacture of excisable and as well as exempted goods and cenvat credit of service tax, which was subsequently quashed by the Central Excise and Service Tax Appellate Tribunal (CESTAT), referring the matter back for fresh assessment. The Commissioner, Central Excise, Panchkula instead of fresh adjudication, went into appeal before the Hon'ble High Court at Chandigarh which was dismissed by the Hon'ble High Court. The Commissioner, Panchkula filed a Special Leave Petition before the Hon'ble Supreme Court of India, where the matter is pending for adjudication. Consequently amount deposited under protest amounting to ₹ 17.48 lacs have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.

b) With respect to classification of maize starch for excise purposes, the Commissioner, Excise raised a demand of ₹ 611.11 lacs, which was set aside by CESTAT. The Commissioner filed an appeal before the Hon'ble Supreme Court of India against the order of CESTAT, where the matter is pending for adjudication.

II With respect to a dispute of lease charges of ₹ 1,204.60 lacs on the lease land at Veli, the Company approached the Hon'ble High Court of Kerala and the Hon'ble High Court has directed the Principal Secretary (Revenue) to make fresh assessment in this matter which is not yet finalized by the relevant authority. However, the Company has filed a review petition before the Secretary (Revenue), Government of Kerala to review the said order and requested to consider that

a. the lease rent fixation and the application for renewal of lease submitted by Company has to be considered under the Rules for Lease of Land for Industrial Purposes which has been overlooked or not considered in the said order.

b. the lease of the land provided to the Company be extended in accordance with the Rules for Lease of Land in Industrial Development Area and Development of Plots for Industrial Purposes.

The Company is confident that the department will pass order in favour of the Company shortly.

III The Company had received a show cause notice on April 9, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on mis-classification of clay products for which the Company has represented and filed the reply with the authority and a favourable order was passed by the Commissioner of Central Excise and Customs, Trivandrum. Subsequently, the department has filed an appeal against the order of Commissioner, which is currently pending for hearing.

The Department has issued such show cause notices for the subsequent period also and the reply has been filed by the Company giving reference to the disposal of first show cause notice.

IV The company has received VAT & CST orders for the year FY 2013-14,2014-15 and 2015-16 demanding ₹ 3.09 lacs , ₹ 10.14 lacs and ₹ 172.94 lacs respectively without considering the forms submitted and without giving opportunity to heard the company. Hence, the company has filed appeal against the orders and is confident that the demands will be reversed and refund orders will be issued by the department.

38 RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
- Employee benefit expenses	69.62	73.75
- Office and other expenses	11.86	8.53
	81.48	**82.29**

39 MINING OPERATIONS

The Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Company has re-started mining at Melthonnakkal from October 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Thus, the Company has two mining leases which are operational presently.

Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve full level of production and improved profitability.

40 GOODS & SERVICE TAX ACCUMULATION ON INPUTS

As per Rule 89(5) of the CGST Rules, the restrictions were imposed on refund only to the extent of goods used for making outward supplies attracting lower rate of GST and effectively denies refund in respect of ITC on input services. The Company has accumulated Input Tax credit of ₹ 2,091.17 lacs as of 31 March, 2021 comprising of both goods and services, which have been classified as non-current asset in the financial statements. Such restriction has neither been provided for nor contemplated in the parent provision of Section 54(3). Considering the fact that the rule has been made in excess of what has been provided in the Act, the Company's management has filed a writ petition in the Hon'ble High Court of Kerala.

41 EMPLOYEE BENEFIT PLANS

a. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Employer's contribution to provident fund and employee's state insurance scheme recognised as expense in the Statement of Profit and Loss for the year are as under:

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Contribution to provident fund	91.73	160.31
Contribution to employees state insurance scheme	0.15	1.25
	91.88	**161.56**

b. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. Employee who have completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is funded.

In respect of the plan in India, the most recent valuation of the present value of defined benefit obligation were carried as at 31 March, 2021 in which the present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the project unit credit method.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The principal assumptions used for the purposes of the actuarial valuations were as follows: (₹ in Lacs)

	Valuation as at		
	31 March, 2021	**31 March, 2020**	**1 April, 2019**
Expected return on plan assets	6.33%	6.04%	7.47%
Discount rate (%)	6.33%	6.04%	7.47%
Expected rate(s) of salary increase	6.50%	6.00%	8.00%
Mortality rates inclusive of provision for disability	IALM 2006-08 Ultimate		
Retirement Age (Years)	58	58	58
Withdrawal Rate (%) (Ages)	5.00%	5.00%	5.00%

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Service cost:		
Current service cost	63.34	69.97
Net interest expenses	(3.95)	(23.36)
Components of defined benefit costs recognised in profit or loss	**59.39**	**46.61**
Remeasurement on the net defined benefit liability		
Return on plan assets, excluding interest income	(17.39)	11.01
Actuarial (gain)/loss from change in financial assumptions	11.86	33.89
Actuarial (gain)/loss from change in experience adjustment	(75.65)	(94.25)
Components of defined benefit costs recognised in other comprehensive income	**(81.18)**	**(49.35)**
Total	**(21.79)**	**(2.74)**

Notes:

i. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

ii. The remeasurement of the net defined liability is included in other comprehensive income.

iii. The Gratuity scheme of the Company is funded.

The amount included in the balance sheet arising from the Company's obligation in respect of defined benefit plans is as follows:

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Present value of defined benefit asset			
Non-current	87.25	65.45	312.70
Current	-	-	-
	87.25	**65.45**	**312.70**

Movement in the present value of the defined benefit obligation are as follows: (₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening defined benefit obligation	1,148.08	1,127.03
Current service cost	63.34	69.97
Interest cost	69.34	84.19
Remeasurement (gains)/losses:		
Return on plan assets, excluding interest income	-	-
Actuarial (gain)/loss from change in financial assumptions	11.86	33.89
Actuarial (gain)/loss from change in experience adjustment	(75.66)	(94.25)
Benefits paid	(279.07)	(72.75)
Closing defined benefit obligation	**937.89**	**1,148.08**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes if the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Fair value of plan assets at the end of the period (₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Fair value of plan assets at the beginning of the period	1,213.53	1,439.74
Interest Income	73.30	107.55
Assets transfer out/Divestments	-	(250.00)
Benefit paid from the fund	(279.07)	(72.75)
Return on plan assets, excluding interest income	17.39	(11.01)
Closing fair value of plan assets	**1,025.14**	**1,213.53**
Amount recognised in the Balance sheet		
Present value of benefit obligation at the end of the period	(937.89)	(1,148.08)
Fair value of plan assets at the end of the period	1,025.14	1,213.53
Net (Liability)/Assets Recognised in the balance sheet	**87.25**	**65.45**
Net interest cost for current period		
Opening defined benefit obligation	1,148.08	1,127.03
Fair value of plan assets at the beginning of the period	(1,213.53)	(1,439.74)
Net (Liability)/Assets at the beginning	**65.45**	**312.71**
Interest cost	69.34	84.19
(Interest income)	(73.30)	(107.55)
Net interest cost for current period	**(3.96)**	**(23.36)**
Expenses recognised in the statement of profit and loss for current period		
Current service cost	63.34	69.97
Net interest cost for current period	(3.96)	(23.36)
Expenses recognised	**59.38**	**46.61**
Expenses recognised in other comprehensive income for current period		
Actuarial (gains)/losses on obligation for the period	(63.79)	(60.36)
Return on plan assets, excluding interest income	(17.39)	11.01
Net (income)/expenses for the period recognised in OCI	**(81.18)**	**(49.35)**

A. Sensitivity analysis:

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would changes as: (₹ in Lacs)

	As at 31 March, 2021		As at 31 March, 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(53.87)	60.80	(60.66)	68.26
Salary growth rate	60.10	(54.27)	67.61	(61.22)
Withdrawal rate	(0.80)	0.87	(0.10)	0.09

(₹ in Lacs)

	As at 1 April 2019	
	Increase by 1%	Decrease by 1%
Discount rate	(63.98)	72.02
Salary growth rate	70.95	(64.24)
Withdrawal rate	(2.71)	2.95

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

42 SEGMENT INFORMATION

The Company's strategic steering committee, consisting of the Chief Executive Officer and the Chief Financial Officer for corporate planning, examines the Company's performance on the basis of sales of goods. The Company engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay. Hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

43 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended 31 March, 2020 and re-measured its net deferred tax liabilities (DTL) basis the rates prescribed in the said section. The impact of this change has been recognised in the profit and loss account.

44 FINANCIAL INSTRUMENTS

i. Capital Management

The Company's objectives when managing capital are to

a. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b. maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The gearing ratio at end of the reporting period was as follows: (₹ in Lacs)

	Note	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Debt		4,053.63	2,694.90	4,452.72
Cash and Bank balances		(36.05)	(43.48)	(1,952.86)
Net debt		**4,017.58**	**2,651.42**	**2,499.86**
Total Equity		17,568.60	18,668.96	19,757.27
Net debt to equity ratio (%)		22.87%	14.20%	12.65%
ii. Categories of financial instruments				
Financial assets				
Measured at fair value through profit or loss	6	5.00	5.00	5.00
Measured at cost	6	50.00	-	-
Measured at amortised cost				
Financial assets				
a. Trade receivables	11	2,138.45	2,576.99	2,659.83
b. Cash and cash equivalents	12	15.19	22.00	1,931.58
c. Other bank balances	13	20.86	21.48	33.26
d. Financial assets				
- Other financial assets	7	228.62	248.14	214.51
a. Non current	7	200.21	268.45	59.79
b. Current				

(₹ in Lacs)

	Note	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Financial liabilities				
a. Borrowings				
i. Long term borrowings	17	888.87	837.82	-
ii. Short term borrowings	20	2,498.16	1,703.31	4,452.72
b. Trade payables	21	2,506.48	3,925.02	3,379.87
c. Other financial liabilities other than current maturities				
Current	22	850.15	270.95	92.35
Non-current	18	63.06	94.85	124.33
Measured at fair value through other comprehensive income		-	-	-

The fair value of the financial assets and financial liabilities are equal to the carrying value of the financial instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For financial assets and liabilities included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

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 creditworthiness 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 quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Company enters into foreign exchange forward contracts with bankers of the company and are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31 March 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the

hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

- 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 2021 was assessed to be insignificant.

Level wise disclosure of financial instruments

	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019	Level
Other investment	5.00	5.00	5.00	Level III

iii. Financial risk management objectives

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 include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. 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 supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee 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. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

b. 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 the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

c. Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The company exposes to foreign currency risk are as follows: (₹ in Lacs)

Particulars	Receivables - Trade	Payable - Trade
As at 31 March, 2021		
USD	547.76	96.76
As at 31 March, 2019		
USD	423.40	72.24
As at 1 April, 2019		
USD	294.61	24.42

Sensitivity analysis (₹ in Lacs)

	Effect on profit before tax		
Particulars	**31 March, 2021**	**31 March, 2020**	**1 April, 2019**
USD sensitivity			
Increase by 5%	22.55	17.56	13.51
Decrease by 5%	(22.55)	(17.56)	(13.51)

(₹ in Lacs)

	Effect on equity		
Particulars	**31 March, 2021**	**31 March, 2020**	**1 April, 2019**
USD sensitivity			
Increase by 5%	16.87	13.14	10.11
Decrease by 5%	(16.87)	(13.14)	(10.11)

Sensitivity analysis is computed by changing the exchange rate only and holding all other variables constant.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposure are managed within approved policy parameters utilising forward foreign exchange contracts, however at the year end there are no significant exposure of the Company towards foreign currency.

d Interest rate risk management

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on theCompany's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at 31 March, 2021 and 31 March, 2020, financial liability of ₹ 3,055.14 lacs and ₹ 2,694.89 lacs, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 30.55 lacs and ₹ 26.95 lacs for the year ended 31 March, 2021 and 31 March, 2020, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.(Note: The impact is indicated on the profit/(loss) before tax basis).

e Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash and cash equivalents, derivatives and financial guarantees.

Trade receivables

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 2,138.45 lacs, ₹ 2,576.99 lacs and ₹ 2659.83 lacs as at 31 March 2021, 31 March 2020 and 1 April, 2019 respectively. Credit risk has always been managed through monitoring the credit worthiness of customers in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers

Revenue in %

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue from top customer	48.25%	39.06%
Revenue from top five customer	60.01%	53.22%

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables which is based on historical experience. The are no expected credit loss as per the evaluation of the management at period end.

Cash and cash equivalents, derivatives and financial guarantee

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount of the Company would have to pay if the guarantee is called upon. The Company's maximum exposure to the credit risk for the components of balance sheet as 31 March 2021 and 31 March 2020 and 1 April, 2019 is the carrying amounts mentioned in Note no. 11 except for financial guarantees . The maximum exposure relating to financial guarantees as at 31 March 2021, 31 March 2020 and 1 April, 2019 is ₹ 177.89 Lacs, 200.73 lacs and 175.61 lacs respectively.

f. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its nonˆderivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Contractual maturities of financial liabilities (₹ in Lacs)

	less than 1 year	1 to 5 year	more than 5 year	Total
As at 31 March 2021				
Borrowings	2,498.16	888.87	-	3,387.03
Trade payables	2,506.48	-	-	2,506.48
Other financial liabilities	850.15	63.06	-	913.21
As at 31 March 2020				
Borrowings	1,703.31	837.82	-	2,541.13
Trade payables	3,925.02	-	-	3,925.02
Other financial liabilities	270.95	94.85	-	365.80
As at 31 March 2019				
Borrowings	4,452.72	-	-	4,452.72
Trade payables	3,379.87	-	-	3,379.87
Other financial liabilities	92.35	124.33	-	216.68

The Company has sanctioned working capital credit limits amounting to ₹ 4,000 Lacs (As at 31 March, 2020 ₹ 4,000 Lacs and As at 1 April, 2019 ₹ 4,000 Lacs).

45 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

a. As per section 135 of the Companies Act, 2013, the Company, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three Financial Year on Corporate Social Responsibility ('CSR') activities. A CSR committee has been formed by the Company as per the Act.

(₹ in Lacs)

Detail of CSR Expenditure	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a. Gross Amount required to be spent by the Company during the year	36.29	73.46
b. Amount spent in cash during the year on:	48.76	55.81

b. The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagrs. The funds were primarily allocated and utilised for the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lacs)

Particulars	Year Ended 31 March, 2021		Year Ended 31 March, 2020	
	Paid in Cash	Yet to be Paid in Cash	Paid in Cash	Yet to be Paid in Cash
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	48.76	-	55.81	-
Total of (i) and (ii)	**48.76**	**-**	**55.81**	**-**

46 The operations of the Company were impacted, due to shutdown of its plant and offices following nationwide lockdown by the Government of India due to COVID 19. The Company has resumed operations in a phased manner as per directives from the Government of India from 01 June 2020. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31 March 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

47 RIGHT TO USE ASSETS

i. Carrying value of right to use assets at the end of reporting period

Particulars	(₹ in Lacs)	(₹ in Lacs)
Balance as at 1 April, 2019	147.24	147.24
Addition during the year	-	-
	147.24	**147.24**
Depreciation during the year	32.27	32.27
Derecognised during the year	-	-
Balance as at 31 March, 2020	**114.97**	**114.97**
Addition during the year	100.11	100.11
Depreciation during the year	53.30	53.30
Derecognised during the year	54.28	54.28
Balance as at 31 March, 2021	**107.49**	**107.49**

ii. Additions to right to use assets (₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Right-of-use assets - Leases	100.11	-
	100.11	**-**

iii. Right-to-use assets

At cost or deemed cost

Particulars	(₹ in Lacs)
Balance as at 01 April, 2019	**-**
Additions	147.24
Derecognition	-
Balance as at 31 March, 2020	**147.24**
Additions	100.11
Derecognition	54.28
Balance as at 31 March, 2021	**193.07**
Accumulated amortisation	
Balance as at 01 April, 2019	-
Charge for the Year	32.27
Balance as at 31 March, 2020	**32.27**
Charge for the Year	53.30
Balance as at 31 March, 2020	**85.57**
Net carrying amount	
At 31 March, 2020	**114.97**
At 31 March, 2021	**107.49**

Notes:

1 The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach. On transition, the adoption of new standard resulted in recognition of Right-of -Use asset (including additions and derecognition during the year) ₹ 147.24 lacs and an equal amount of lease liability. The effect of this adoption is not material on profit and earnings per share for the year ended.

2 The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

3 Transition impact of Ind AS - 116.

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

The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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

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

d. Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. The following is the movement in lease liabilities during the year ended March 31, 2020 and March 31, 2021: (₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the Beginning of the year	120.37	-
Recognition on account of adoption of Ind AS 116	-	147.24
Additions during the year	100.11	-
Deletion during the year	59.00	-
	161.48	**147.24**
Finance cost accrued during the year	15.40	11.75
Payment of lease liabilities	62.98	38.62
Balance at the end	**113.90**	**120.37**

f. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Due within one year	53.71	28.45
Due later than one year and not later than five years	60.19	91.92
Due later than five years	-	-
Total	**113.90**	**120.37**

g. Amounts recognised in profit or loss (see note 'a' below) (₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Interest on lease liabilities	15.40	11.75
Depreciation on right of use assets	53.30	32.27
Expenses relating to short-term and low value leases	125.76	188.63
(Income)/Expenses on de-recognised of lease	(4.72)	-
	189.75	**232.65**

Note:

a. Since the Ind AS 116 is applicable from 1 April, 2019, hence no disclosure has been made for the previous year.

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

v. Rental expense recorded for short-term and low value leases is recognised for the year ended March 31, 2021 ₹ 125.76 lacs (Previous year ₹ 188.63 lacs), the same have been recorded under the head 'Other expenses' in the financial statements.

vi. Rental income on assets given on sub-lease is Nil for the year ended 31 March, 2021. (Nil for the year ended 31 March, 2020).

vii. Right of use assets and liabilities of ₹ 147.24 lacs and ₹ 147.24 lacs have been recognised as at 1 April, 2019.

viii. The Company based on best estimation amount of ₹ 437.51 lacs net block which are include in right to use assets are classified in Non-current assets classified as held for sale in 31 March 2020 and 31 March 2021.

Lease Commitments In Previous GAAP

The Company has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancellable at the option of the Company. Rent expense on account of cancellable leases for the year ended 31 March 2021 amounts to ₹ 187.31 lacs (31 March, 2020 ₹ 226.63 lacs).

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
i. Payable not later than 1 year	45.33	38.93
ii. Payable later than 1 year not later than five years	42.60	49.06
	87.93	**87.99**

48 RELATED PARTIES

a. List of related parties

i Holding Company

Karun Carpets Pvt. Limited

DBH International Pvt. Limited (merged with Karun Carpets Pvt. Ltd)

ii Wholly owned subsidiary

Kaolin India Private Limited (w.e.f. 03 June, 2020)

iii. Enterprises over which shareholders or directors exercise significant influence

Greaves Cotton Limited

Premium Transmission Private Limited

DBH Holdings (India) Private Limited (Earlier known as Pembril Industrial & Engineering Co. Pvt. Limited)

Greaves Leasing Finance Limited

Dee Greaves Limited

Bharat Starch Products Private Limited (merged with Karun Carpets Pvt. Ltd)

Aravali Sports & Cultural Foundation

DBH Consulting Limited

DBH Investments Pvt. Limited (merged with Karun Carpets Pvt. Ltd)

Ampere Vehicles Private Limited

iv. Key management personnel

Mr. Karan Thapar – Chairman

Mr. Vijay Kishore Sharma - Director (Upto 26 February, 2020)

Mr. T. Balakrishnan - Director

Mr. Vijay Dilbagh Rai - Director

Ms. Shivpriya Nanda - Director

Mr. Joy Kumar Jain - Director (Upto 11 May, 2020)

Mr. Suresh Kumar Jain -Executive Director (upto 04 November, 2020 and thereafter Director)

Mr. Bhagawandas Bhojwani - Chief Executive Officer (w.e.f 06 November, 2020)

Mr. Mahendra Kumar Gupta - Chief Financial Officer

Ms. Shalini Chawla - Company Secretary

b. Transactions /balances outstanding with related parties

(₹ in Lacs)

Particulars	Holding Company		Wholly owned Subsidiary		Enterprises over which shareholders or directors exercise significant influence		Key management personnel		Total	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Transactions during the year										
Investments	-	-	**50.00**	-	-	-	-	-	**50.00**	-
Kaolin India Pvt. Ltd	-	-	50.00	-	-	-	-	-	50.00	-
Loans given	-	-	**100.00**	-	-	-	-	-	**100.00**	-
Kaolin India Pvt. Ltd	-	-	100.00	-	-	-	-	-	100.00	-
Loans Received	**1,000.00**	-	-	-	-	-	-	-	**1,000.00**	-
Karun Carpets Private Limited *	1,000.00	-	-	-	-	-	-	-	1,000.00	-
Technical Fees	-	-	-	-	-	**16.41**	-	-	-	**16.41**
DBH Consulting Limited	-	-	-	-	-	16.41	-	-	-	16.41
Rent paid (adjusted with lease liabilities)	**18.00**	**18.00**	-	-	-	-	-	-	**18.00**	**18.00**
Karun Carpets Private Limited *	18.00	18.00	-	-	-	-	-	-	18.00	18.00
Rent received	-	-	**8.50**	-	-	-	-	-	**8.50**	-
Kaolin India Pvt. Ltd	-	-	8.50	-	-	-	-	-	8.50	-
Interest paid	**36.85**	-	-	-	-	-	-	-	**36.85**	-
Karun Carpets Private Limited *	36.85	-	-	-	-	-	-	-	36.85	-
Interest received	-	-	**1.92**	-	-	-	-	-	**1.92**	-
Kaolin India Pvt. Ltd	-	-	1.92	-	-	-	-	-	1.92	-
Repayment Of Loans received	-	-	**100.00**	-	-	-	-	-	**100.00**	-
Kaolin India Pvt. Ltd	-	-	100.00	-	-	-	-	-	100.00	-
Professional Fees	-	-	-	-	-	-	**6.00**	-	**6.00**	-
Mr. Suresh Kumar Jain	-	-	-	-	-	-	6.00	-	6.00	-
Reimbursement of expenses incurred by the Company on behalf of others	-	-	-	-	**76.24**	**124.52**	-	-	**76.24**	**124.52**
Premium Transmission Private Limited	-	-	-	-	76.24	112.67	-	-	76.24	112.67
Greaves Cotton Limited	-	-	-	-	-	11.85	-	-	-	11.85
Reimbursement of expenses incurred by others on our behalf	**11.34**	-	-	-	-	-	-	-	**11.34**	-
Karun Carpets Private Limited *	11.34	-	-	-	-	-	-	-	11.34	-
Directors Sitting Fees	-	-	-	-	-	-	**23.15**	**19.65**	**23.15**	**19.65**
Mr. Karan Thapar	-	-	-	-	-	-	4.45	2.95	4.45	2.95
Mr. Vijay Kishore Sharma	-	-	-	-	-	-	-	2.70	-	2.70
Mr. T. Balakrishnan	-	-	-	-	-	-	5.55	3.80	5.55	3.80
Mr. Vijay Dilbagh Rai	-	-	-	-	-	-	6.50	2.75	6.50	2.75
Ms. Shivpriya Nanda	-	-	-	-	-	-	5.65	3.30	5.65	3.30
Mr. Joy Kumar Jain	-	-	-	-	-	-	0.50	4.15	0.50	4.15
Mr. Suresh Kumar Jain	-	-	-	-	-	-	0.50	-	0.50	-
Sale of fixed assets	**18.80**	-	-	-	-	-	-	-	-	-
Karun Carpets Private Limited *	18.80	-	-	-	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-	**293.18**	**209.45**	**293.18**	**209.45**
Mr. Suresh Kumar Jain	-	-	-	-	-	-	118.39	105.38	118.39	105.38
Mr. Bhagawan Das Bhojwani	-	-	-	-	-	-	92.49	-	92.49	-
Mr. Mahendra Kumar Gupta	-	-	-	-	-	-	60.75	70.54	60.75	70.54
Ms. Shalini Chawla	-	-	-	-	-	-	21.55	33.53	21.55	33.53

* Subsequent to merger of DBH International Pvt. Ltd and Bharat Starch Products Private Limited with Karun Carpets Private Limited all the related party transactions are shown under Karun Carpets Private Limited

(₹ in Lacs)

Particulars	Holding Company		Wholly owned Subsidiary		Enterprises over which shareholders or directors exercise significant influence		Total	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Outstanding balances								
Security deposit payable	-	-	**0.85**	-	-	-	**0.85**	-
Kaolin India Private Ltd	-	-	0.85	-	-	-	0.85	-
Unsecured loan payable	**1,000.00**	-	-	-	-	-	**1,000.00**	-
Karun Carpets Private Limited *	1,000.00	-	-	-	-	-	1,000.00	-
Receivable	-	-	-	-	**15.31**	**9.78**	**15.31**	**9.78**
Premium Transmission Private Limited	-	-	-	-	13.31	7.78	13.31	7.78
Karun Carpets Private Limited *	-	-	-	-	2.00	2.00	2.00	2.00

* Subsequent to merger of DBH International Pvt. Ltd and Bharat Starch Products Private Limited with Karun Carpets Private Limited all the related party transactions are shown under Karun Carpets Private Limited.

49 FIRST TIME IND AS ADOPTION RECONCILIATIONS

A. Effect of Ind AS adoption on the balance sheet as at 31 March, 2020 and 1 April, 2019

(₹ in Lacs)

Particulars	Notes	As at 1 April, 2019			As at 31 March, 2020		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
1 Assets							
a. Property, plant and equipment	i.	18,103.52	(1,479.33)	16,624.19	16,573.82	(1,489.20)	15,084.62
b. Capital work in progress		1,025.24	-	1,025.24	551.56	-	551.56
c. Other intangible assets		9.62	-	9.62	7.50	-	7.50
d. Right to use Assets	ii.	440.12	147.24	587.36	2.61	114.97	117.58
e. Financial assets		-					
i. Investments		5.00	-	5.00	5.00	-	5.00
iii. Other financial assets	iii.	215.62	(1.11)	214.51	248.62	(0.48)	248.14
f. Deferred tax assets	iv.	-	-	-	-	-	-
g. Other non current assets	v.	1,996.25	0.62	1,996.87	2,236.42	(5.57)	2,230.85
		21,795.37	**(1,332.58)**	**20,462.79**	**19,625.53**	**(1,380.28)**	**18,245.25**
2 Current assets							
a. Inventories		2,105.25	-	2,105.25	2,062.27	-	2,062.27
b. Financial assets							
i. Trade receivables		2,659.83	-	2,659.83	2,576.99	-	2,576.99
ii. Cash and cash equivalents		1,931.58	-	1,931.58	22.00	-	22.00
iii. Other bank balances		33.26	-	33.26	21.48	-	21.48
iv. Other financial assets		61.08	(1.29)	59.79	268.45	-	268.45
c. Other current assets	v.	1,406.69	1.73	1,408.42	464.05	(2.39)	461.66
		8,197.69	**0.44**	**8,198.13**	**5,415.24**	**(2.39)**	**5,412.85**
Non-current assets classified as held for sale		2,482.82	-	2,482.82	4,401.52	-	4,401.52
Total assets		**32,475.86**	**(1,332.14)**	**31,143.74**	**29,442.28**	**(1,382.67)**	**28,059.62**
Equity and liabilities							
1 Equity							
a. Equity share capital		1,005.52	-	1,005.52	1,005.52	-	1,005.52
b. Other equity	vi.	19,702.46	(950.71)	18,751.75	18,768.33	(1,104.89)	17,663.44
Total equity		**20,707.98**	**(950.71)**	**19,757.27**	**19,773.85**	**(1,104.89)**	**18,668.96**
2 Liabilities							
Non-current liabilities							
a. Financial liabilities							
i. Borrowings		-	-	-	837.82	-	837.82
ii. Other financial liabilities	vii.	3.98	120.35	124.33	11.34	83.51	94.85
b. Provisions		1,914.74	-	1,914.74	2,006.78	-	2,006.78
c. Deferred tax liabilities (Net)	iv.	1,313.03	(528.65)	784.38	492.84	(389.74)	103.10
		3,231.75	**(408.30)**	**2,823.45**	**3,348.78**	**(306.23)**	**3,042.55**

(₹ in Lacs)

Particulars	Notes	As at 1 April, 2019 IGAAP	Effects of transition to Ind-AS	Ind AS	As at 31 March, 2020 IGAAP	Effects of transition to Ind-AS	Ind AS
Current liabilities							
a. Financial liabilities							
i. Borrowings		4,452.72	-	4,452.72	1,703.31	-	1,703.31
ii. Trade payables							
Total outstanding dues of micro enterprises and small enterprises		121.16	-	121.16	106.88	-	106.88
Total outstanding dues of other than micro enterprises and small enterprises		3,258.71	-	3,258.71	3,818.13	0.01	3,818.14
iii. Other financial liabilities	vii.	65.46	26.89	92.35	242.50	28.45	270.95
b. Provisions		223.22	-	223.22	210.80	-	210.80
c. Other current liabilities		298.78	-	298.78	140.88	-	140.88
d. Current tax liabilities (Net)		116.08	-	116.08	97.15	-	97.15
		8,536.13	**26.89**	**8,563.02**	**6,319.65**	**28.46**	**6,348.11**
Total liabilities		**11,767.88**	**(381.41)**	**11,386.47**	**9,668.43**	**(277.77)**	**9,390.66**
Total equity and liabilities		**32,475.86**	**(1,332.12)**	**31,143.74**	**29,442.28**	**(1,382.66)**	**28,059.62**

B. Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31 March, 2020

(₹ in Lacs)

	Particulars	Notes	For the year ended 31 March, 2020 IGAAP	Effects of transition to Ind-AS	Ind AS
I	Revenue from operations	viii.	20,226.81	-	20,226.81
II	Other income		316.36	0.63	316.99
III	**Total income (I+II)**		**20,543.17**	**0.63**	**20,543.80**
IV	**Expenses**				
	Cost of material consumed		5,651.59	-	5,651.59
	Purchase of stock in trade		1,868.96	-	1,868.96
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		158.35	-	158.35
	Employee benefits expense	ix.	3,782.80	49.35	3,832.15
	Finance costs	x.	715.77	11.74	727.51
	Depreciation and amortisation expense	xi.	867.23	42.14	909.37
	Other expenses	xii.	8,884.84	(37.99)	8,846.85
	Total expenses (IV)		**21,929.54**	**65.24**	**21,994.78**
V	**Loss before exceptional items and tax (III-IV)**		(1,386.37)	(64.61)	(1,450.98)
VI	**Exceptional items (loss) / gain**		(563.05)	-	(563.05)
VII	**Loss before tax (V-VI)**		**(1,949.42)**	**(64.61)**	**(2,014.03)**
VIII	**Tax expense**				
	Current tax		-	-	-
	Income tax expense related to earlier year		(195.10)	-	(195.10)
	Deferred tax	iv.	(820.19)	(126.50)	(693.69)
	Total tax expenses		**(1,015.29)**	**(126.50)**	**(888.79)**
IX	**Loss for the year**		**(934.13)**	**(191.11)**	**(1,125.24)**
X	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss	ix.			
	i. Re-measurement of defined benefit plans		-	49.35	49.35
	ii. Income tax relating to items that will not be reclassified to profit or loss		-	12.42	12.42
			-	**36.93**	**36.93**
XI	**Total comprehensive income for the year (IX+X)**		**(934.13)**	**(154.18)**	**(1,088.31)**

C. Reconciliation of total equity as at 31 March, 2020 and 1 April, 2019 (₹ in Lacs)

Particulars	As at 31 March, 2020	As at 1 April, 2019
Total equity (shareholders' fund) under previous GAAP	19,773.85	20,707.98
Adjustment:		
i. Ind AS impact on lease	(5.39)	-
ii. Ind AS impact on security deposit	(0.04)	(0.04)
iii. Ind AS impact on site restoration	(1,489.20)	(1,479.33)
iv. Ind AS impact on deferred tax	389.74	528.66
Total equity under Ind AS	**18,668.96**	**19,757.27**

D. Reconciliation of total comprehensive income for the year ended 31 March, 2020 (₹ in Lacs)

		Year ended 31 March, 2020
Loss as per previous GAAP		**(934.13)**
Adjustments:		
Effect of amotisation income on security deposit		0.63
Effect of recognizing actuarial loss on employee defined benefit liability under other comprehensive income	ix.	(49.35)
Effect of Finance cost on leases as per new IND AS	x.	(11.74)
Effect of depreciation charged due to new IND AS and amortisation of site restoration	xi.	(42.14)
Effect of rent expenses due to new IND AS	xii.	37.99
Effect of Deferred tax adjustment	iv.	(126.50)
Total effect of transition to Ind AS		**(191.11)**
Loss for the year as per Ind AS		**(1,125.24)**
Other comprehensive for the year (net of tax)		36.93
Total comprehensive income under Ind AS		**(1,088.31)**

E. Effect of Ind AS adoption on statement of cash flow for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		
	IGAAP	Effects of transition to Ind-AS	Ind AS
Net cash flows from operating activities	587.68	-	587.68
Net cash flows from investing activities	(126.37)	-	(126.37)
Net cash flows from financing activities	(2,370.89)	-	(2,370.89)
Net increase (decrease) in cash and cash equivalent	**(1,909.58)**	**-**	**(1,909.58)**
Cash and cash equivalent as at 1 April,2019	**1,931.58**	**-**	**1,931.58**
Cash and cash equivalent as at 31 March, 2020	**22.00**	**-**	**22.00**

F. Analysis of cash and cash equivalents as at 31 March, 2020 and as at 1 April, 2019 for the purpose of statement of cash flow under Ind AS

(₹ in Lacs)

	As at 31 March, 2020	As at 1 April, 2019
Cash and cash equivalent for the purpose of statement of cash flows as per previous GAAP	22.00	1,931.58
Adjustment:	-	-
Cash and cash equivalent for the purpose of statement of cash flows under Ind AS	**22.00**	**1,931.58**

Notes to the reconciliations

i. The Company has recognised the site restoration expenses which have not been amortised in the previous GAAP, however the amortisation impact of the same has been recognised since inception.

ii. Right to use recognised as adoption of new Ind AS 116 become effective from 1 April 2019, in previous GAAP, rent directly charged in profit and loss account.

iii. The Company has taken the fair value impact on security deposit.

iv. Company has recognised the deferred tax assets on the site restoration on land and net value of lease obligation. Under the previous GAAP, rent were forming part of the profit or loss for the year.

v Due to adoption of Ind AS, Company has to take the borrowing in books of account net of processing fees. In current assets the Company has transfer the processing fees which are include in prepayments are transfer to borrowings.

vi. The Company have recognised the site restoration expenses which have not been amortised in the previous GAAP, however the amortisation impact of the same have been recognised since inception, therefore the opening impact as on 1 April 2021 is considered in retained earning directly net of deferred tax.

vii. The Company has recognised the lease obligation as adoption of Ind AS 116 become effective from 1 April 2019.

viii. Other income are including the income on security deposit which value on fair value.

ix **Remeasurement of post-employment benefit obligations and Deferred tax.**

Under Ind AS, measurements Actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Correspondingly deferred tax adjusted in Other comprehensive income and statement of profit and loss. There is no impact on the total equity as at 31 March, 2020.

x The impact of interest on lease obligation as per Ind AS 116 taken in the finance cost.

xi The impact of amortisation of Right to use assets and site restoration have been taken in the depreciation and amortisation expenses.

xii Due to adoption of IND AS 116, rent has been reduced from other expenses and taken the depreciation and finance cost in profit and loss.

50 EVENTS AFTER THE REPORTING PERIOD

There are no event observed after the reported period which have an impact on the Company's operation.

51 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issue by Board of Directors on 25 May, 2021.

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of EICL Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **EICL Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March, 2021, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity, and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of subsidiary referred to in the other matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March, 2021, of consolidated loss, consolidated total comprehensive loss, consolidated changes in equity, and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 39 to the accompanying financial statements, relating to filing of application with the regulatory authorities for securing environment clearances for their mining land parcels. The Company has received approvals for two mining leases which are operational presently and is awaiting to receive approvals for other locations. The classification of underlying land as property, plant and equipment, conclusion relating to non-impairment of plant and machinery and measurement of site restoration obligation is dependent on such clearances. Our opinion is not modified in this respect of this matter.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report comprises the director's 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 our 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.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 with reference to financial statements 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 ability of the Group 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 consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

Other Matters

1. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 1,041.25 lacs as at 31 March, 2021, total revenues (after eliminating intra-group transactions) of ₹ Nil and net cash flows amounting to ₹ 61.76 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
2. The comparative financial information of the Holding Company for the year ended 31 March, 2020 and the transition date opening balance sheet as at 1 April, 2019 included in these Ind AS Consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules 2006 audited by the predecessor auditor whose report for the year ended 31 March, 2020 and 31 March, 2019 dated 12 June, 2020 and 06 May, 2019 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including consolidated Other Comprehensive Income, the Consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary incorporated in India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACG4543

Place: Noida
Date: 25 May, 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of EICL Limited on the consolidated financial statements as of and for the year ended 31 March, 2021)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31 March, 2021, we have audited the internal financial controls with reference to financial statements of **EICL Limited** (hereinafter referred to as the "Holding Company") and it's subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are 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. 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 the company's business, including adherence to the respective company's policies, the safeguarding of the company's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, 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") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and it's subsidiary company, which is a company incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary company which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No.: 077974
UDIN: 21077974AAAACG4543

Place: Noida
Date: 25 May, 2021

CONSOLIDATED Balance Sheet as at 31 March, 2021

(₹ in Lacs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Assets				
1 Non-current assets				
a. Property, plant and equipment	3	15,688.79	15,084.62	16,624.19
b. Capital work in progress		53.09	551.56	1,025.24
c. Other intangible assets	4	3.59	7.50	9.62
d. Right to use assets	5	110.10	117.58	587.36
e. Financial assets				
i. Investments	6	5.00	5.00	5.00
ii. Other financial assets	7	241.99	248.14	214.51
f. Deferred tax assets	10	228.88	-	-
g. Other non current assets	8	2,417.62	2,230.85	1,996.87
		18,749.06	**18,245.25**	**20,462.79**
2 Current assets				
a. Inventories	9	1,851.40	2,062.27	2,105.25
b. Financial assets				
i. Trade receivables	11	2,138.45	2,576.99	2,659.83
ii. Cash and cash equivalents	12	76.95	22.00	1,931.58
iii. Other bank balances	13	20.86	21.48	33.26
iv. Other financial assets	7	209.35	268.45	59.79
c. Other current assets	8	427.19	461.66	1,408.42
		4,724.20	**5,412.85**	**8,198.13**
Non-current assets classified as held for sale	14	4,401.52	4,401.52	2,482.82
Total assets		**27,874.78**	**28,059.62**	**31,143.74**
Equity and liabilities				
1 Equity				
a. Equity share capital	15	1,005.52	1,005.52	1,005.52
b. Other equity	16	16,530.62	17,663.44	18,751.75
Total equity		**17,536.14**	**18,668.96**	**19,757.27**
2 Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	17	1,788.87	837.82	-
ii. Other financial liabilities	18	63.06	94.85	124.33
b. Provisions	19	2,043.77	2,006.78	1,914.74
c. Deferred tax liabilities (Net)	10	-	103.10	784.38
		3,895.70	**3,042.55**	**2,823.45**
Current liabilities				
a. Financial liabilities				
i. Borrowings	20	2,498.16	1,703.31	4,452.72
ii. Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	21	142.13	106.88	121.16
- Total outstanding dues of other than micro enterprises and small enterprises	21	2,417.17	3,818.14	3,258.71
iii. Other financial liabilities	22	919.46	270.95	92.35
b. Provisions	19	161.39	210.80	223.22
c. Other current liabilities	23	194.26	140.88	298.78
d. Current tax liabilities (Net)	24	110.37	97.15	116.08
		6,442.94	**6,348.11**	**8,563.02**
Total liabilities		**10,338.64**	**9,390.66**	**11,386.47**
Total equity and liabilities		**27,874.78**	**28,059.62**	**31,143.74**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

CONSOLIDATED Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in Lacs)

		Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
I	Revenue from operations	25	10,448.28	20,226.81
II	Other income	26	119.59	316.99
III	**Total income (I + II)**		**10,567.87**	**20,543.80**
IV	**Expenses**			
	Cost of materials consumed	27	2,200.89	5,651.59
	Purchases of stock-in-trade	28	1,402.50	1,868.96
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(113.32)	158.35
	Employee benefits expense	30	2,418.60	3,832.15
	Finance costs	31	547.99	727.51
	Depreciation and amortisation expense	32	938.31	909.37
	Other expenses	33	4,718.88	8,846.85
	Total expenses (IV)		**12,113.85**	**21,994.78**
V	**Loss before exceptional items and tax (III-IV)**		**(1,545.98)**	**(1,450.98)**
VI	Exceptional items (loss) / gain	34	-	(563.05)
VII	**Loss before tax (V-VI)**		**(1,545.98)**	**(2,014.03)**
VIII	**Tax expense**			
	Current tax	35	-	-
	Income tax expense related to earlier year	35	-	(195.10)
	Deferred tax	10	(352.41)	(693.69)
			(352.41)	**(888.79)**
IX	**Loss for the year (VII-VIII)**		**(1,193.57)**	**(1,125.24)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	i. Re-measurement of defined benefit plans		81.18	49.35
	ii. Income tax relating to items that will not be reclassified to profit or loss	35	20.43	12.42
	Other comprehensive income for the year		**60.75**	**36.93**
XI	**Total comprehensive income for the year (IX+X)**		**(1,132.82)**	**(1,088.31)**
XII	**Profit for the year attributable to:**			
	Shareholders of the Company		(1,193.57)	(1,125.24)
			(1,193.57)	**(1,125.24)**
XIII	**Total comprehensive income for the year attributable to**			
	Shareholders of the Company		(1,132.82)	(1,088.31)
			(1,132.82)	**(1,088.31)**
XIV	**Earning per equity share**	36		
	Equity shares of face value ₹ 2 each			
	Basic (₹ per share)		(2.37)	(2.24)
	Diluted (₹ per share)		(2.37)	(2.24)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

CONSOLIDATED Statement of Changes in Equity for the year ended 31 March, 2021

A. Equity share capital

	No. of shares	(₹ in Lacs)
Equity shares of ₹ 2 each issued, subscribed and fully paid		
Balance as at 1 April, 2019	**5,02,76,013**	**1,005.52**
Issue of equity share capital	-	-
Balance as at 31 March, 2020	**5,02,76,013**	**1,005.52**
Issue of equity share capital	-	-
Balance as at 31 March, 2021	**5,02,76,013**	**1,005.52**

B. Other equity

(₹ in Lacs)

	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	Total
Balance as at 1 April, 2019	**6.34**	**3,441.38**	**5,566.85**	**9,737.18**	**-**	**18,751.75**
Loss for the year	-	-	-	(1,125.24)	-	(1,125.24)
Other comprehensive income for the year, net of income tax	-	-	-	-	36.93	36.93
Balance as at 31 March, 2020	**6.34**	**3,441.38**	**5,566.85**	**8,611.94**	**36.93**	**17,663.44**
Loss for the year	-	-	-	(1,193.57)	-	(1,193.57)
Other comprehensive income for the year, net of income tax	-	-	-	-	60.75	60.75
Balance as at 31 March, 2021	**6.34**	**3,441.38**	**5,566.85**	**7,418.37**	**97.68**	**16,530.63**

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

CONSOLIDATED Statement of Cash Flows for the year ended 31 March, 2021

(₹ in Lacs)

		Year ended 31 March, 2021	Year ended 31 March, 2020
A.	**Cash flow from operating activities**		
	Loss before tax	(1,545.98)	(2,014.03)
	Adjustments for :		
	Depreciation and amortisation expense	938.31	909.37
	Provision for bad trade and other receivables, loans and advances	12.03	51.42
	Interest on borrowings	408.17	613.08
	Interest from banks on deposits	(29.51)	(89.74)
	Loss on sale of property, plant and equipment	4.80	20.03
	Unrealised foreign exchange (gain)/loss	15.54	(26.73)
		(196.64)	**(536.60)**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	210.87	42.98
	Trade receivables	410.97	58.15
	Other current financial assets	59.78	(221.67)
	Other current assets	26.60	958.54
	Other non-current financial assets	9.52	(33.63)
	Other non current assets	(264.76)	(344.99)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(1,371.11)	545.15
	Other financial liabilities	40.18	(27.49)
	Provisions	68.76	128.97
	Other current liabilities	59.53	(157.90)
	Cash generated from operating activities	**(946.29)**	**411.51**
	Income taxes refund (net)	13.22	176.17
	Net cash generated from/(used in) operating activities	**(933.07)**	**587.68**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment, including capital advances	(934.24)	(229.29)
	Capital expenditure on intangible assets under development	-	(3.04)
	Sale proceeds of property, plant and equipment	21.94	3.21
	Interest income on bank deposits	24.16	102.75
	Net cash generated from/(used in) investing activities	**(888.14)**	**(126.37)**
C.	**Cash flows from financing activities**		
	Proceeds from/ (repayment of) borrowings		
	- Receipts	1,709.26	1,000.00
	- Repayments	(153.77)	(2,000.00)
	Proceeds form issue of preference shares	900.00	-
	Proceeds from/ (repayment of) cash credits/working capital demand loan (net)	(205.15)	(749.40)
	Interest paid	(382.98)	(621.49)
	Net cash generated from/(used in) financing activities	**1,867.36**	**(2,370.89)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**46.14**	**(1,909.58)**
	Cash and cash equivalents at the beginning of the year	30.81	1,931.58
	Cash and cash equivalents at the end of year	**76.95**	**22.00**

1) The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on 'Statement of Cash Flows'.
2) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

EICL Limited ('the Holding Company'), a Company incorporated in India in 1963, under the Companies Act 1956, was part of the erstwhile Thapar Group. The registered office of the Company is at TC-79/4, Veli Thiruvananthapuram – 695 021, Kerala. The Company is engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay.

2 Significant Accounting Policies :

2.1 Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Group have prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

Upto the year ended 31 March, 2020, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1 April, 2019.

Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group have presented a reconciliation from the presentation of consolidated financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31 March, 2020 and 1 April, 2019 and of the comprehensive net income for the year ended 31 March, 2020.

These consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Refer Note 2.26 for details of first-time adoption exemptions availed by the Group.

2.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

2.3 Basis of preparation and presentation

Consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for

- Financial instruments – measured at fair value;
- Assets held for sale – measured at lower of fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- In addition, certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices

included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in Indian Rupee and all values are rounded to the nearest Lacs, except when otherwise stated.

Group information

The consolidated financial statements include following subsidiary:

Name of the Company : Kaolin India Private Limited

Percentage of ownership : 100%

Effective date of holding w.e.f. June 3, 2020 prior to that share held by Karun Carpets Private Limited, the entitiy fall under common control .

2.4 Basis of consolidation

The consolidated financial statements relates to EICL Limited ('the Company') and its subsidiaries. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns;

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Generally, majority of voting rights results in control. When the Company has less than majority of voting rights of an investee, the Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee, including:

- The size of the Company's holdings of voting rights relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the Company;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Consolidation procedure:

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.
- The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The

'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different entities.

- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2.4 Use of estimates

The preparation of these Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the Consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the Consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

The areas involving critical estimates or judgments are:

- Decommissioning and restoration provision
- Fair value of unlisted equity securities
- Determination of cash generating unit (CGU)
- Useful life of intangible asset
- Defined benefit obligation
- Current tax expense and current tax payable
- Deferred tax assets for carried forward tax losses
- Impairment of financial assets

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Group.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met, 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. Amounts disclosed as revenue are net of discounts, sales incentives, rebates granted, returns, sales taxes/value added taxes/goods and service tax/ and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer.

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

Sale of goods

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 Leases

The Group have applied Ind AS 116 using the modified retrospective approach.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;
– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– Amounts expected to be payable under a residual value guarantee; and
– The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Arrangements in the nature of lease

The Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Group applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are Consolidatedd at the inception of the arrangement into those for lease and those for other elements.

2.8 Foreign currencies

The functional currency of the Group is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.9 Employee benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries including incentive and bonus, annual leave and sick leave (leave comprises compensated absences) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The casual leave, if not availed are lapsed at the end of the year and are not accumulated for future period.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Property plant and equipment

The Group have elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Assets costing ₹ 5,000 and below are fully depreciated in the year of acquisition.

Subsequent expenditure and componentisation

Parts of an item of property, plant and equipment having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Group have a legal or constructive obligation to plug and abandon a site, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognised is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of site or Property, Plant and Equipment.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Depreciation is computed on Straight-Line Method ('SLM') based on useful lives, determined based on internal technical evaluation as follows:

Type of Assets	Method	Useful lives estimated by the management
Factory and other buildings	SLM	3- 60 years
Plant and equipment	SLM	10- 25 years
Furniture and fixtures	SLM	10 years
Office equipment	SLM	5 years
Vehicle and cycles	SLM	8 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer 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.

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.

Derecognition

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.

2.12 Intangible assets

The Group have elected to continue with the carrying value of all of its Intangible assets as at the transition date, viz., 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets and intangible assets under development are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset go that it will be available for use or sale;
- the intention to complete the intangible asset and

use or sell it;

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets.

Estimated useful lives of the intangible assets are as follows:

Computer software: 5 years

The amortisation period and method are reviewed at each year end.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14 Inventories

Inventories, including stores and spare parts (other than stores and spares accounted for as Property, Plant and Equipment), raw materials (including clay matrix-mined and purchased) are valued at weighted average cost. Work in progress and finished goods, are valued at lower of standard cost and net realisable value. Cost includes direct expenses and is determined on the basis of weighted average method.

Total mining expenses are considered as raw material cost for clay matrix – mined.

In respect of finished goods and work in progress, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition based on normal operating capacity.

2.15 Non-current assets or disposal held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Such assets or disposal groups are classified only when both the conditions are satisfied –

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

2.16 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are me.

Government grants, whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

2.17 Provisions

Provisions are recognised when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group have a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18 Cash and Cash Equivalents

Cash and cash equivalents 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 change in value.

2.19 Significant Judgements and Key sources of Estimation in applying Accounting Policies

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates.

The areas involving critical estimates or judgments are:

i. **Useful lives of property, plant and equipment :** Management reviews its estimate of the useful lives at each reporting date, based on the expected utility of the assets.

ii. Valuation of deferred tax assets : Recognized is based on an assessment of the probability of the Group's future taxable income.

iii. **Fair value measurement of financial instruments:** Based on Discounted Cash Flow model when quoted price are not available.

iv. **Provisions and Contingencies :** Evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

v. Defined Benefit Obligation (DBO) : Measured based on actuarial assumptions which include mortality and withdrawal rates. Group considers that the assumptions used to measure its obligations are appropriate.

vi Allowances for Doubtful Debts : The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount.

vii. **Warranty :** Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group have not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the

Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.23 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilites

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilites subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability ,or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilites

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.24 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share.

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

2.25 First-time adoption-mandatory exceptions, optional exemptions

The Group have prepared the opening balance sheet as per Ind AS as of 1 April, 2019 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group as detailed below.

Derecognition of financial assets and liabilites

The Group have applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2019 ('the transition date').

Deemed cost for PPE and intangible assets

The Group have elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Assessment of embeded derivatives

The Group have assessed whether an embded derivatives is required to be seperated from the host contract and accounted for as a derivative on the basis of conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would required under the contract.

Investment in subsidiary

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1st April, 2019 in its standalone financial statements and use that carrying values as its deemed cost as of the transition date.

2.26 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

i. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

ii. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

iii. Specified format for disclosure of shareholding of promoters.

iv. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

v. Details of unutilised funds borrowed from banks and financial institutions for specified purposes;

vi. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

vi. Details of charges or satisfaction yet to be registered with ROC beyond the statutory period;

vii. 11 Ratios and reasons for any changes beyond 25% in comparison to the preceding year;

Statement of profit and loss:

i. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
Cost or deemed cost							
Balance as at 1 April, 2019	8,096.81	1,997.17	6,232.04	72.55	76.69	148.93	16,624.19
Additions	49.44	198.30	569.87	-	10.26	9.11	836.98
Disposals	-	-	2.78	-	23.38	2.74	28.90
Transferred to assets held for sale	1,310.79	179.30	-	-	-	-	1,490.09
Balance as at 31 March, 2020	**6,835.46**	**2,016.17**	**6,799.13**	**72.55**	**63.57**	**155.30**	**15,942.18**
Additions	-	339.57	1,164.76	0.17	7.05	-	1,511.55
Disposals	-	-	4.21	-	-	31.88	36.09
Balance as at 31 March, 2021	**6,835.46**	**2,355.74**	**7,959.68**	**72.72**	**70.62**	**123.42**	**17,417.64**
Depreciation							
Balance as at 1 April, 2019	-	-	-	-	-	-	-
Depreciation expense	9.87	142.36	645.53	10.57	25.31	31.91	865.55
Elimination on disposals of assets	-	-	2.78	-	2.57	0.31	5.66
Transferred to assets held for sale	-	2.33	-	-	-	-	2.33
Balance as at 31 March, 2020	**9.87**	**140.03**	**642.75**	**10.57**	**22.74**	**31.60**	**857.56**
Depreciation expense	9.87	140.96	667.74	8.83	23.21	30.03	880.64
Elimination on disposals of assets	-	-	1.06	-	-	8.29	9.35
Balance as at 31 March, 2021	**19.74**	**280.99**	**1,309.43**	**19.40**	**45.95**	**53.34**	**1,728.85**
Net carrying amount							
Balance as at 1 April, 2019	**8,096.81**	**1,997.17**	**6,232.04**	**72.55**	**76.69**	**148.93**	**16,624.19**
Balance as at 31 March, 2020	**6,825.59**	**1,876.14**	**6,156.38**	**61.98**	**40.83**	**123.70**	**15,084.62**
Balance as at 31 March, 2021	**6,815.72**	**2,074.75**	**6,650.25**	**53.32**	**24.67**	**70.08**	**15,688.79**

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

Property, plant and equipment (₹ in Lacs)

	Lease hold land	Leasehold improvements	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
As at April 01, 2019									
Gross block	438.22	62.50	9,576.34	3,572.83	16,251.77	218.79	297.48	254.19	30,672.12
Accumulated depreciation	0.71	59.89	1,479.54	1,575.66	10,019.73	146.24	220.79	105.26	13,607.82
Net block	**437.51**	**2.61**	**8,096.80**	**1,997.17**	**6,232.04**	**72.55**	**76.69**	**148.93**	**17,064.30**
As at March 31, 2020									
Gross block	0.15	62.50	8,314.99	3,591.83	16,818.86	218.79	211.27	258.42	29,476.81
Accumulated depreciation	0.15	59.89	0.21	1,715.69	10,662.48	156.81	170.44	134.72	12,900.39
Net block	**-**	**2.61**	**8,314.78**	**1,876.14**	**6,156.38**	**61.98**	**40.83**	**123.70**	**16,576.42**

Notes:

i. The Group has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. Land includes provision for site restoration w.r.t. mining land used by the Group for clay business amounting to ₹ 1,554.56 lacs in the Indian GAAP (previous GAAP) which is not amortised till 31 March 2020, however on application of IND AS, the amortisation impact since initiation of site restoration provision has been adjusted in IND AS 101 financial statements as at 1 April 2019. Accordingly the net Carrying value as on 31 March, 2021 ₹ 55.39 lacs , 31 March, 2020 ₹ 65.26 lacs and 1 April, 2019 ₹ 75.13 lacs.

iii. Additions to plant and machinery include additions to research and development assets amounting to Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 44.24 lacs) and depreciation charge for the year includes ₹ 49.20 lacs (31 March, 2020 ₹ 52.41 lakh and 1 April, 2019 ₹ 57.19 lakh) on account of research and development assets.

iv. Additions to factory and other buildings includes Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 5.63 lakh) and additions to plant and machinery includes Nil (31 March, 2020 Nil and 1 April, 2019 ₹ 8.83 lakh) on account of capitalisation of foreign exchange fluctuation of long term borrowings.

4 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Computer software	Total
Cost or deemed cost		
Balance as at 1 April, 2019	9.62	9.62
Additions	3.04	3.04
Disposals	0.24	0.24
Balance as at 31 March, 2020	**12.42**	**12.42**
Additions	-	-
Disposals	-	-
Balance as at 31 March, 2021	**12.42**	**12.42**
Amortisation		
Balance as at 1 April, 2019	-	-
Amortisation expense	4.98	4.98
Disposals	0.06	0.06
Balance as at 31 March, 2020	**4.92**	**4.92**
Amortisation expense	3.91	3.91
Disposals	-	-
Balance as at 31 March, 2021	**8.83**	**8.83**
Net carrying amount		
Balance as at 1 April, 2019	**9.62**	**9.62**
Balance as at 31 March, 2020	**7.50**	**7.50**
Balance as at 31 March, 2021	**3.59**	**3.59**

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows: (₹ in Lacs)

	Computer software	Total
As at April 01, 2019		
Gross block	252.40	252.40
Accumulated depreciation	242.78	242.78
Net block	**9.62**	**9.62**
As at March 31, 2020		
Gross block	242.83	242.83
Accumulated depreciation	235.33	235.33
Net block	**7.50**	**7.50**

Note:

i. The Group has elected to continue with the carrying value of all of its plant and equipment as at the transition date, viz., 1 April 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5 RIGHT TO USE ASSETS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Right to use assets (refer note “47”)	110.10	117.58	587.36
	110.10	**117.58**	**587.36**

6 INVESTMENTS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Unquoted (Carried at fair value)			
a. Investment in equity instruments			
- Kerala Enviro Infrastructures Limited {50,000 (31 March 2020: 50,000, 31 March 2019: 50,000) Equity shares carrying face value of 10 ₹ each Fully paid}	5.00	5.00	5.00
	5.00	**5.00**	**5.00**

7 OTHER FINANCIAL ASSET

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
I. Non-current			
a. Security deposits	208.37	215.08	189.54
b. Duty / taxes paid under protest recoverable (also refer note 37.1)	17.48	17.48	22.50
c. Margin money deposits (see note below)	16.14	15.58	2.47
	241.99	**248.14**	**214.51**

Note

Margin money deposits are under lien with banks for issuance of bank guarantee and letter of credit.

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
II. Current			
a. Advance to related parties	2.00	2.00	2.00
b. Accrued interest on bank deposits	-	-	13.01
c. Accrued interest on other deposits	5.35	-	-
d. Security deposits	-	11.26	44.78
e. Balances with government authorities	202.00	255.19	-
	209.35	**268.45**	**59.79**

8 OTHER ASSETS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
I. Non-current			
a. Advances for purchase of property, plant and equipment	6.03	84.02	195.03
b. Prepayments	9.04	17.82	22.35
c. Balances with government authorities	2,315.30	2,063.56	1,466.79
d. Plan asset over present value of gratuity obligation	87.25	65.45	312.70
	2,417.62	**2,230.85**	**1,996.87**
II. Current			
a. Advances to suppliers	134.12	85.09	65.58
b. Advances to employees	55.45	85.46	104.85
c. Prepayments	119.93	58.52	84.66
d. Balances with government authorities	86.28	217.64	1,153.33
e. Other advances	31.41	14.95	-
	427.19	**461.66**	**1,408.42**

9 INVENTORIES
(lower of cost and net realisable value)

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Raw materials	233.29	617.16	334.14
b. Stores and spares	665.14	605.46	773.11
c. Work in progress (see note "I" below)	82.98	81.85	72.50
d. Finished goods (see note "II" below)	869.99	757.80	925.50
	1,851.40	**2,062.27**	**2,105.25**

Notes:

I Includes by-products and others of ₹ 0.01 lacs (31 March, 2020 ₹ 1.24 lacs and 1 April, 2019 ₹ 2.21 lacs).

II Includes by-products of ₹ 35 lacs (31 March, 2020 ₹ 20.37 lacs and 1 April, 2019 ₹ 28.22 lacs) and traded goods of clay products of ₹ 52.22 lacs (31, March 2020 ₹ 30.18 lacs and 1 April, 2019 ₹ 83.33 lacs).

10 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Deferred tax assets	228.88	-	-
Deferred tax liabilities	-	103.10	784.38

(₹ in Lacs)

	Opening Balance	Recognised in Profit or loss [(Charge)/ income]	Recognised in other comprehensive Income	Closing balance
2020-21				
Deferred tax (liabilities) / assets in relation to				
Property, plant and equipment	(1,149.24)	25.31	-	(1,123.93)
Employee benefit obligation	64.76	(4.60)	(20.43)	39.73
Tax impact of expenses chargeable in the financial statements but allowable under the Income Tax Act, 1961 in future years	85.49	(65.32)	-	20.17
Site restoration on land	380.75	-	-	380.75
Lease obligation	1.36	1.61	-	2.97
Business loss and unabsorbed depreciationsee note below)	401.17	378.88	-	780.05
Site restoration obligation	112.60	16.42	-	129.02
Preliminary Expenses		0.11	-	0.11
	(103.10)	**352.41**	**(20.43)**	**228.88**
2019-20				
Deferred tax (liabilities) / assets in relation to				
Property, plant and equipment	(1,630.82)	481.58	-	(1,149.24)
Employee benefit obligation	97.62	(20.44)	(12.42)	64.76
Tax impact of expenses chargeable in the financial statements but not allowable under the Income Tax Act, 1961 in future years	99.72	(14.23)	-	85.49
Site restoration on land	528.65	(147.90)	-	380.75
Lease obligation	-	1.36	-	1.36
Business loss and unabsorbed depreciationsee note below)	-	401.17	-	401.17
Site restoration obligation	120.46	(7.86)	-	112.60
	(784.38)	**693.69**	**(12.42)**	**(103.10)**

Note:

The Group except subisidary has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has re-measured its deferred tax liabilities (net) as at 1 April, 2019 basis the rate prescribed in the said section. The impact of re-measurement of deferred tax liabilities (net) as at 1 April, 2019 amounting to ₹219.43 lacs has been recognised in the Statement of Profit and Loss for the year ended 31 March, 2020.

11 TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Secured, considered good	77.01	208.52	54.31
b. Unsecured, considered good	2,061.44	2,368.47	2,605.52
c. Unsecured, considered doubtful	77.17	336.71	285.30
	2,215.62	**2,913.70**	**2,945.13**
Less: Allowances for doubtful debts (expected credit loss allowances)	(77.17)	(336.71)	(285.30)
Total	**2,138.45**	**2,576.99**	**2,659.83**
Notes:			
i. The above amount of trade receivables also includes amount receivable from its related parties (refer note 48A).	13.31	7.78	-

ii. The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.

iii. Debtors amounting to ₹ 271.57 Lacs has been written off against provisions and new provision created during the year amounts to ₹ 12.03 Lacs

12 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Balances with banks			
- on current accounts	75.71	14.18	23.44
- in demand deposit accounts with maturity of less than three months	-	-	1,900.00
b. Cash on hand	1.24	7.82	8.14
	76.95	**22.00**	**1,931.58**

13 OTHER BANK BALANCES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Margin money deposits	-	-	11.98
b. Unpaid dividend accounts	20.86	21.48	21.28
	20.86	**21.48**	**33.26**

14 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Fixed assets held for sale (at lower of cost and net realisable value) (see note below)	4,401.52	4,401.52	2,482.82
	4,401.52	**4,401.52**	**2,482.82**

Note

Fixed assets held for sale represent land and buildings of gross book value ₹ 4,810.04 lacs (31 March, 2020 ₹ 4,810.04 lacs and 1 April, 2019 ₹ 2,881.88 lacs) and net book value ₹ 4,401.52 lacs (31 March, 2020 ₹ 4,401.52 lacs and 1 April, 2019 ₹ 2,482.82 lacs) located at Shimoga and Cuddalore unit, which management intends to divest within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates. During the year company has received an offer for sale of shimoga land & building appurtenant thereto carrying net book value of ₹ 2482.82 lacs.

15 EQUITY SHARE CAPITAL

	As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Authorised						
Equity shares of ₹ 2 each	9,00,00,000	1,800.00	9,00,00,000	1,800.00	9,00,00,000	1,800.00
Preference shares of ₹ 100 each	30,00,000	3,000.00	30,00,000	3,000.00	30,00,000	3,000.00
	9,30,00,000	**4,800**	**9,30,00,000**	**4,800**	**9,30,00,000**	**4,800**
Issued, subscribed and fully paid up						
Equity shares of ₹ 2 each	5,02,76,013	1,005.52	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Total	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**

a. Movement in share capital

	Year ended 31 March, 2021		Year ended 31 March, 2020		As at 1 April, 2019	
Equity shares	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Balance as at the beginning of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Add: Increase during the year	-	-	-	-	-	-
Balance as at the end of the year	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**	**5,02,76,013**	**1,005.52**

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder 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.

The Company has neither issued any equity shares for consideration other than cash nor any bonus shares issued during the immediately preceding five financial years. Also there has been no buy back of shares either in the aforesaid period.

c. Shares held by holding Company (₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
	No. of shares	No. of shares	No. of shares
Equity shares			
DBH International Private Limited	-	3,26,61,297	3,26,78,691
Karun Carpets Private Limited	4,60,78,066	-	-
	4,60,78,066	**3,26,61,297**	**3,26,78,691**

d. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
DBH International Private Limited	-	-	3,26,78,691	65.00%	3,26,78,691	65.00%
Karun Carpets Private Limited	4,60,78,066	91.65%	1,33,99,375	26.65%	1,33,99,375	26.65%

e. Pursuant to filing of Scheme of Amalgamation by Karun Carpets Private Limited (one of the promoter of the Company) before the National Company Law Tribunal ("NCLT"), Chandigarh, for amalgamation of DBH International Private Limited ["DBHI"], Bharat Starch Products Private Limited ["BSPL"], DBH Investments Private Limited ["DBHInv"] into Karun Carpets Private Limited ["KCPL"], the NCLT, Chandigarh has approved the Scheme vide its order dated December 4, 2020 and KCPL has filed the said order with the Registrar of Companies on December 23, 2020. Accordingly, the Company has now become subsidiary of KCPL from December 23, 2020. The appointed date for the said merger is 1 April 2018.

16 OTHER EQUITY

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Capital Reserve	6.34	6.34	6.34
b. Capital Redemption Reserve	3,441.38	3,441.38	3,441.38
c. General Reserve	5,566.85	5,566.85	5,566.85
d. Retained earnings	7,418.37	8,611.94	9,737.18
e. Other comprehensive income	97.68	36.93	-
	16,530.62	**17,663.44**	**18,751.75**

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020
Other equity consist of the following		
i. Capital Reserve		
Balance at the beginnning of year	6.34	6.34
Addition during the year	-	-
	6.34	**6.34**
ii. Capital Redemption Reserve		
Balance at the beginnning of year	3,441.38	3,441.38
Addition during the year	-	-
	3,441.38	**3,441.38**

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020
iii.	**General Reserve**		
	Balance at the beginnning of year	5,566.85	5,566.85
	Addition during the year	-	-
		5,566.85	**5,566.85**
iv.	**Retained earnings**		
	Balance at the beginnning of year	8,611.94	9,737.18
	Loss for the year	(1,193.57)	(1,125.24)
		7,418.37	**8,611.94**
v.	**Other comprehensive income**		
	Balance at the beginnning of year	36.93	-
	Add:		
	- Re-measurement of defined benefit plans (net of tax)	60.75	36.93
		97.68	**36.93**

Notes:

i. **Capital Redemption Reserve**

The Companies Act, 2013 (the "Companies Act') requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Group, in paying up unissued shares of the Company to be issued to Shareholders of the Group as fully paid bonus shares. The Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

ii. **Capital Reserve**

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

iii. **General Reserve**

The Group had transferred a part of the net profit of the Company to general reserve in earlier years.

iv. **Retained earnings**

Retained earnings are profits of the Group earned till date less transferred to other reserves and dividend paid during the year.

v. **Other comprehensive income**

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

17 NON-CURRENT BORROWINGS

(₹ in Lacs)

		As at 31 March, 2021		As at 31 March, 2020		As at 1 April, 2019	
		Non-current	Current maturities	Non-current	Current maturities	Non-current	Current maturities
a.	Term loans (secured)						
	- From banks						
	HDFC Bank Limited (see note 'i' below)	691.25	654.98	837.82	153.77	-	-
	Axis Bank Limited (see note 'ii' below)	197.62	11.63	-	-	-	-
		888.87	**666.61**	**837.82**	**153.77**	**-**	**-**
	Less: transferred to current maturities of long term borrowings	-	666.61	-	153.77	-	-
		888.87	**-**	**837.82**	**-**	**-**	**-**
b.	Preference Shares Optionally Convertible Cumulative Redeemable Preference shares of ₹ 100/- each (see note 'iii' below)	900.00	-	-	-	-	-
		900.00	**-**	**-**	**-**	**-**	**-**
	Total	**1,788.87**	**-**	**837.82**	**-**	**-**	**-**

Notes:

i. Term loan from HDFC bank

a. Terms of repayment

Secured term loan of ₹ 1,500 lacs was sanctioned by HDFC Bank Limited during 2019-20, which are repayable in 9 equated quarterly instalments starting from February 2021. Interest to be paid separately as and when due.

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
i. April 2019 to March 2020	-	-	-
ii. April 2020 to March 2021	-	153.77	-
iii. April 2021 to March 2022	654.98	837.82	-
iv. April 2021 to March 2022	691.25	-	-
	1,346.23	**991.59**	**-**

b. Rate of interest: 1 year MCLR+0.85%. Effective interest rate is 8.75%

c. Security

Term loans from banks are secured by first pari passu charge on fixed assets (including factory land and building located in Thonnakal unit of the Holding Company).

d. Current maturities of long term borrowings are disclosed under the head other current financial liabilities.

ii. Term loan (working capital term loan) from Axis bank

a. Terms of repayment

The working capital term loan of ₹ 279 lacs (availed till 31 March, 2021 ₹ 209.25 lacs) was sanctioned by Axis Bank Limited during 2020-21, which is repayable in 36 equated monthly instalments starting from February 2022. Interest to be paid separately as and when due.

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
i. April 2021 to March 2022	11.63	-	-
ii. April 2022 to March 2023	69.75	-	-
iii. April 2023 to March 2024	69.75	-	-
iv. April 2024 to March 2025	58.13	-	-
	209.25	**-**	**-**

b. Rate of interest: 1 year MCLR+1%. Effective interest rate is 8.45%

c. Security

Term loans from banks are secured by second pari passu charge by way of hypothecation on the entire current assets both present & future and second pari passu charge on the movable & immovable assets including factory land & building at Thonnakal unit of the Holding Company.

d. Current maturities of long term borrowings are disclosed under the head other current financial liabilities.

iii. Terms of 13% optionally convertible cumulative redeemable preference shares ('OCRPS')

a. Dividend rate: 13% fixed out of the profit of the Company

b. Conversion of the OCRPS:

- At any time after the 1 year anniversary but not later than 4 years anniversary from the date of issuance and allotment of the OCRPS, the OCRPS can be converted (in whole but not in part) into Equity Shares, at the option of the Company; or
- At any time after the 4 years anniversary but not later than 20 years anniversary from the date of issuance and allotment of the OCRPS, the OCRPS can be converted (in whole but not in part) into Equity Shares, at the option of the Company or OCRPS holder; or
- The number of Equity Shares which will be issued upon conversion of the OCRPS will be determined based on the Subscription Price i.e. higher of fair market value and face value.
- The Equity Shares issued and allotted upon conversion of the OCRPS will rank pari passu and shall have the same rights as the Equity Shares.

c. Redemption of the OCRPS:

The OCRPS will be redeemable (in whole or in parts not more than 3 instalments) at the earlier of:

(a) the 20 years anniversary of the date of issuance and allotment of the OCRPS or

(b) any time at the option of the Company before exercise of conversion option by the Company or the OCRPS holder in accordance with paragraph (ii) above.

d. The OCRPS can be transferred within the group Companies at its fair valuation.

Considering the operations stage of the Company and the Holding Company management have decided for the waiver of Dividend for the year ended 31 March 2021.

18 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Deposits from vendors	2.47	2.53	3.58
b. Deposits from customers	0.40	0.40	0.40
c. Payable for Lease Obligation (refer note 47)	60.19	91.92	120.35
	63.06	**94.85**	**124.33**

19 PROVISIONS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Non-current			
a. Provision for employee benefits			
i. Leave Encashment	18.30	46.54	57.18
b. Site restoration obligation (Refer Note I below)	2,025.47	1,960.24	1,857.56
	2,043.77	**2,006.78**	**1,914.74**
Note			
I Site restoration obligation w.r.t. mining land of clay business is recognised on 01 April 2016 in view of the requirement of Ind AS 17 - “Property, Plant and Equipment” read with Ind AS 37- “Provisions, Contingent Liabilities and Contingent Assets”. The details are given below:			
Opening present value of obligation	**1,960.24**	**1,857.56**	**1,713.77**
Add : Finance charge during the year	124.42	102.68	157.56
Less : Expenses incurred during the year	-59.19	-	(13.77)
Closing present value of obligation	**2,025.47**	**1,960.24**	**1,857.56**
Current			
a. Provision for employee benefits			
i. Compensated absences	161.39	210.80	223.22
	161.39	**210.80**	**223.22**

20 CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Secured			
i. Cash credit account with scheduled banks (note a and b)			
- Axis Bank Limited	1,284.57	981.79	241.70
- ICICI Bank Limited	-	494.62	962.22
- HDFC Bank Limited	213.59	226.90	248.80
ii. Working capital demand loans (note a and b)			
- Axis Bank Limited	-	-	1,000.00
Unsecured			
i. Short term loan			
- HDFC Bank Limited	-	-	2,000.00
ii. Intercorporate deposits	1,000.00	-	-
	2,498.16	**1,703.31**	**4,452.72**

Notes:

a. Cash credit facility and working capital demand loans along with bank guarantees and letter of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts of the Company.

b. Cash credit facility and working capital demand loans from the bank comprises of the following:

i. Cash credit facility/working capital demand loan of ₹ 2,500 lacs sanctioned by Axis Bank is repayable on demand and carries interest @ 1 year MCLR + 1% presently 8.45% p.a (2019-20 : 3 months MCLR + 1 % p.a).

ii. Cash credit facility ₹ 1500 lacs from HDFC Bank is repayable on demand and carries interest @ 1 year MCLR +0.85% presently 8.05% p.a (2019-20 : 1 year MCLR + 0.85% p.a).

21 TRADE PAYABLES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Total outstanding dues of micro enterprises and small enterprises (see note 'iii' below)	142.13	106.88	121.16
b. Total outstanding dues of other than micro enterprises and small enterprises	2,417.17	3,818.14	3,258.71
	2,559.30	**3,925.02**	**3,379.87**
Notes:			
i. The above amount of trade payables also includes amount payable to its related parties (refer note 48A).	0.86	-	-
ii. The average credit period for purchase of certain goods and services are from 15 to 90 days. No interest is chargeable on trade payables.			
iii. The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:			
a. Amount payable to suppliers under MSMED (suppliers) as on 31 March			
- Principal	142.13	106.88	121.16
- Interest	-	-	-
b. Payments made to supplier beyond the appointed day during the year			
- Principal	-	-	-
- Interest	-	-	-
c. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest under MSMED	-	-	-
d. Amount of interest accrued and remaining unpaid as on 31 March	-	-	-
e. Amount of interest remaining due and payable to suppliers disallowable as deductable expenditure under Income Tax Act, 1961	-	-	-

22 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a. Unpaid dividends	20.86	21.48	21.28
b. Payable for purchase of property, plant and equipment	133.00	63.05	40.05
c. Retention money	28.50	4.20	4.13
d. Payable for Lease Obligation (refer note 47)	53.71	28.45	26.89
e. Interest accrued but not due on borrowings	16.78	-	-
f. Current maturities of long-term debts	666.61	153.77	-
	919.46	**270.95**	**92.35**

23 OTHER CURRENT LIABILITIES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Advances from customers	34.01	54.97	54.31
b.	Statutory dues (see note i)	56.08	81.39	101.51
c.	Other payables (see note ii)	104.17	4.52	142.96
		194.26	**140.88**	**298.78**

Notes:

i. Statutory dues includes GST payable, Provided fund payable, TDS, ESI etc.

ii. Includes ₹ 100 lacs (31 March 2020 Nil, 31 March 2019 Nil) received for sale of Shimoga land which is shown under assets held for sale (refer note 14).

24 CURRENT TAX LIABILITIES

(₹ in Lacs)

		As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
a.	Provision for income tax [net of advance taxes paid including tax deducted at source ₹ 5,731.21 Lacs (31 March 2020 ₹ 5,744.44 Lacs, 31 March 2019 ₹ 7,042.98 lacs)]	110.37	97.15	116.08
		110.37	**97.15**	**116.08**

25 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Sale of products (see note i and ii below)	10,431.83	20,202.06
Other operating revenues:		
- Scrap sales	16.45	24.75
	10,448.28	**20,226.81**
Notes		
i. Reconciliation of Gross Revenue from contract with customers		
- Gross Revenue	10,715.74	20,612.58
- Less: Discount	237.46	312.54
- Less: Returns	46.44	97.98
Net Revenue from contract with customers	**10,431.84**	**20,202.06**
ii. Details of products sold		
- Clay products	10,344.39	19,747.50
- By-products and others	103.89	479.31
	10,448.28	**20,226.81**

26 OTHER INCOME

(₹ in Lacs)

		Year ended 31 March, 2021	Year ended 31 March, 2020
a.	Interest income earned on financial assets that are not designated as fair value through profit or loss:		
	i. Interest from banks on deposits	29.51	89.74
	ii. Security Deposit	0.48	0.63
	iii. Interest on Income Tax Refund	-	52.67
b.	Profit on foreign exchange fluctuations (net)	-	33.93
c.	Service charges	76.24	105.52
d.	Liabilities / provisions no longer required written back	0.62	1.80
e.	Miscellaneous income	12.74	32.70
		119.59	**316.99**

27 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventory at the beginning of the year	617.16	334.14
Add: Purchases	1,847.13	5,934.61
Less: Inventory at the end of the year	263.40	617.16
Cost of raw material and components consumed	**2,200.89**	**5,651.59**

28 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Purchase of traded goods	1,402.50	1,868.96
	1,402.50	**1,868.96**

29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening inventories		
Finished goods		
- Manufactured	757.80	925.50
- Work in Progress	81.85	72.50
	839.65	**998.00**
Closing inventories		
Finished goods		
- Manufactured	869.99	757.80
- Work in Progress	82.98	81.85
	952.97	**839.65**
	(113.32)	**158.35**

30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Salary, wages and bonus	1,954.42	3,479.91
b. Contribution to provident and other funds	91.73	160.31
c. Gratuity expense (see note below)	59.39	46.61
d Staff welfare expenses	313.06	263.92
	2,418.60	**3,950.75**
Less: Amount capitalised during the year	-	118.60
	2,418.60	**3,832.15**

Notes:

i. Gratuity expenses is netted off with income on trust fund amounting to ₹ 73.30 lacs (31 March, 2020 ₹ 107.55 lacs).

ii. Employee benefit expenses includes research and development expenses (also refer note 38).

31 FINANCE COSTS

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest costs		
a. Interest on borrowings	408.17	613.08
b. Amortisation Of Site Restoration Reserve	124.42	102.68
c. Interest on Lease obligation	15.40	11.75
	547.99	**727.51**

32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

		Year ended 31 March, 2021	Year ended 31 March, 2020
a.	Depreciation of property, plant and equipment	880.65	865.55
b.	Amortisation of intangible assets	3.91	4.98
c.	On Right of use Assets	53.75	38.84
		938.31	**909.37**

33 OTHER EXPENSES

(₹ in Lacs)

		Year ended 31 March, 2021	Year ended 31 March, 2020
A.	**Manufacturing expenses**		
i.	Consumption of stores and spare parts	95.62	255.30
ii.	Power and fuel	2,712.58	5,251.78
iii.	Repair and maintenance:		
	- Plant and machinery	239.45	569.37
	- Building	22.13	52.84
	- Others	103.95	109.89
iv.	Other manufacturing expenses	205.41	405.02
v.	Royalty charges	59.15	81.83
	Total (A)	**3,438.29**	**6,726.03**
B.	**Administration expenses**		
i.	Rent (refer note 47)	125.76	188.63
ii.	Rates and taxes	59.86	74.04
iii.	Insurance	31.36	20.99
iv.	Director sitting fees	23.15	19.65
v.	Office and other expenses (See note ii)	172.48	213.84
vi.	Legal and professional	75.81	127.58
vii.	Security service charges	166.21	157.69
viii.	Payments to auditors (see note i)	27.50	38.00
ix.	Travelling and conveyance	50.42	135.43
x.	Charity and donation	8.91	13.73
xi.	Bad debts written-off	-	2.91
xii.	Provision for bad trade and other receivables, loans and advances	12.03	51.42
xiii.	Bank Charges	26.35	35.37
xiv.	Loss on fixed assets sold/ scrapped/ written off	4.80	20.03
xv.	Corporate social responsibility (refer note 45)	48.76	55.81
xvi.	Loss on foreign exchange fluctuations (net)	24.88	-
xvii.	Preliminary Expenses	0.62	-
	Total (B)	**858.90**	**1,155.12**
c.	**Selling and distribution expenses**		
i.	Freight, forwarding and packing charges	162.74	552.50
ii.	Sales Commission	47.10	65.12
iii.	Selling expenses	190.64	301.24
iv.	Rebates and discount	21.21	46.84
	Total (C)	**421.69**	**965.70**
	Total (A + B + C)	**4,718.88**	**8,846.85**

Notes:

i.	Payments to auditors (net of input credit)		
	- Audit fees	22.40	32.00*
	- Tax audit fees	2.00	3.00*
	- Other services	2.85	0.77*
	- Out of pocket expenses	0.25	2.23*
		27.50	**38.00**

ii. Office and other expenses includes research and development expenses (note 38).

* Paid to erstwhile auditor

34 EXCEPTIONAL ITEMS

The Holding Company had incurred ₹ 563.05 lakh in Financial Year 2019-20 on the pre-operative expenditure since inception at its calcined clay project planned at Cuddalore, Tamil Nadu which had been abandoned due to uncertainty on availability of raw materials. The amount so incurred on pre-operative expenditure had been charged to profit and loss account of the previous year and shown as an exceptional item and the Land and building aggregating to 1,928.16 lakh had been retired from their proposed use and the Board has decided to find an active buyer for the same, accordingly, these assets have been classified as held for sale in Note 14 to the financial statements.

35 INCOME TAXES

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Current tax		
For current year	-	-
	-	**-**
Income tax expense related to earlier year	-	(195.10)
	-	**-195.10**
Deferred tax		
In respect of the current year	(352.41)	(693.69)
	(352.41)	**(693.69)**
Income tax expense recognised in the statement of profit and loss	**(352.41)**	**(693.69)**
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	20.43	12.42
	(331.98)	**(681.27)**
Reconcilation of tax expense and the accounting profit multiplied by prevailing income tax rate		
Profit before tax	1,545.98	(2,014.03)
Income tax rate	25.168%	25.168%
Calculated income tax expenses	389.00	(507.00)
Reversal of defered tax due to change on tax rates	-	(219.44)
Tax effects on non-deductible expenses		
Adjustment on account of carry forward busniess losses and unabsorbed depreciation	(741.41)	32.75
Income tax expense	**(352.41)**	**(693.69)**
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	20.43	12.42
	(331.98)	**(681.27)**

36 EARNINGS PER SHARE

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
a. Basic earnings per share (₹)	(2.37)	(2.24)
b. Diluted earnings per share (₹)	(2.37)	(2.24)

Earnings per share are as follows:

i. The earnings and weighted number of equity shares used in the calculation of basic earnings per share are as follows:

Net profit attributable to the shareholders	(1,193.57)	(1,125.24)
Weighted average number of outstanding equity shares during the year	50,276,013	50,276,013
Basic earning per share (₹)	(2.37)	(2.24)
Diluted earning per share (₹)	(2.37)	(2.24)

37 COMMITMENTS AND CONTINGENCIES

a. The estimated amount of contracts remaining to be executed on capital amounts and not provided for (net of advances) amount to ₹ 124.57 Lakh (as at 31 March 2020 ₹ 230.60 Lakh and as at 1 April 2019 ₹ 763.63 Lakh).

b. Estimated amount of liability on export obligation remaining to be completed against EPCG scheme and Advance authorisations of amount to ₹ 109.02 Lakh (as at 31 March 2020 ₹ 91.06 Lakh and as at 1 April 2019 ₹ 26.21 Lakh).

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

d. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

37.1 Litigations

Note

I a) Demands aggregating to ₹ 1,073.70 lacs for the year 2000 to 2004 with respect to using of lubricating oil and transformer oil in the plant and machinery used for manufacture of excisable and as well as exempted goods and cenvat credit of service tax, which was subsequently quashed by the Central Excise and Service Tax Appellate Tribunal (CESTAT), referring the matter back for fresh assessment. The Commissioner, Central Excise, Panchkula instead of fresh adjudication, went into appeal before the Hon'ble High Court at Chandigarh which was dismissed by the Hon'ble High Court. The Commissioner, Panchkula filed a Special Leave Petition before the Hon'ble Supreme Court of India, where the matter is pending for adjudication. Consequently amount deposited under protest amounting to ₹ 17.48 lacs have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.

b) With respect to classification of maize starch for excise purposes, the Commissioner, Excise raised a demand of ₹ 611.11 lacs, which was set aside by CESTAT. The Commissioner filed an appeal before the Hon'ble Supreme Court of India against the order of CESTAT, where the matter is pending for adjudication.

II With respect to a dispute of lease charges of ₹ 1,204.60 lacs on the lease land at Veli, the Company approached the Hon'ble High Court of Kerala and the Hon'ble High Court has directed the Principal Secretary (Revenue) to make fresh assessment in this matter which is not yet finalized by the relevant authority. However, the Company has filed a review petition before the Secretary (Revenue), Government of Kerala to review the said order and requested to consider that;

a. the lease rent fixation and the application for renewal of lease submitted by Company has to be considered under the Rules for Lease of Land for Industrial Purposes which has been overlooked or not considered in the said order.

b. the lease of the land provided to the Company be extended in accordance with the Rules for Lease of Land in Industrial Development Area and Development of Plots for Industrial Purposes.

The Company is confident that the department will pass order in favour of the Company shortly.

III The Company had received a show cause notice on April 9, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on mis-classification of clay products for which the Company has represented and filed the reply with the authority and a favourable order was passed by the Commissioner of Central Excise and Customs, Trivandrum. Subsequently, the department has filed an appeal against the order of Commissioner, which is currently pending for hearing.

The Department has issued such show cause notices for the subsequent period also and the reply has been filed by the Company giving reference to the disposal of first show cause notice.

IV The Company has received VAT & CST orders for the year Financial Years 2013-14,2014-15 and 2015-16 demanding ₹ 3.09 lacs , ₹ 10.14 lacs and ₹ 172.94 lacs respectively whithout considering the forms submitted and without giving opportunity to heard the Company. Hence, the Company has filed appeal against the orders and is confident that the demands will be reversed and refund orders will be issued by the department.

38 RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
- Employee benefit expenses	69.62	73.75
- Office and other expenses	11.86	8.53
	81.48	**82.29**

39 MINING OPERATIONS

The Group holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Group has re-started mining at Melthonnakkal from October 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Thus, the Group has two mining leases which are operational presently.

Accordingly, the Group has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve full level of production and improved profitability.

40 GOODS & SERVICE TAX ACCUMULATION ON INPUTS

As per Rule 89(5) of the CGST Rules, the restrictions were imposed on refund only to the extent of goods used for making outward supplies attracting lower rate of GST and effectively denies refund in respect of ITC on input services. The Group has accumulated Input Tax credit of ₹ 2,091.17 lacs as of 31 March, 2021 comprising of both goods and services, which have been classified as non-current asset in the consolidated financial statements. Such restriction has neither been provided for nor contemplated in the parent provision of Section 54(3). Considering the fact that the rule has been made in excess of what has been provided in the Act, the Group's management has filed a writ petition in the Hon'ble High Court of Kerala.

41 EMPLOYEE BENEFIT PLANS

a. Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. Employer's contribution to provident fund and employee's state insurance scheme recognised as expense in the Statement of Profit and Loss for the year are as under:

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Contribution to provident fund	91.73	160.31
Contribution to employees state insurance scheme	0.15	1.25
	91.88	**161.56**

b. Defined benefit plan

Gratuity

The Holding Company has a defined benefit gratuity plan. Employee who have completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is funded.

In respect of the plan in India, the most recent valuation of the present value of defined benefit obligation were carried as at 31 March, 2021 in which the present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the project unit credit method.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

The principal assumptions used for the purposes of the actuarial valuations were as follows: (₹ in Lacs)

	Valuation as at		
	31 March, 2021	**31 March, 2020**	**1 April, 2019**
Expected return on plan assets	6.33%	6.04%	7.47%
Discount rate (%)	6.33%	6.04%	7.47%
Expected rate(s) of salary increase	6.50%	6.00%	8.00%
Mortality rates inclusive of provision for disability	IALM 2006-08 Ultimate		
Retirement Age (Years)	58	58	58
Withdrawal Rate (%) (Ages)	5.00%	5.00%	5.00%

(₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Service cost:		
Current service cost	63.34	69.97
Net interest expenses	(3.95)	(23.36)
Components of defined benefit costs recognised in profit or loss	**59.39**	**46.61**
Remeasurement on the net defined benefit liability		
Actuarial (gain)/loss from change in demographic assumptions	(17.39)	11.01
Actuarial (gain)/loss from change in financial assumptions	11.86	33.89
Actuarial (gain)/loss from change in experience adjustment	(75.65)	(94.25)
Components of defined benefit costs recognised in other comprehensive income	**(81.18)**	**(49.35)**
Total	**(21.79)**	**(2.74)**

Notes:

i. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

ii. The remeasurement of the net defined liability is included in other comprehensive income.

iii. The Gratuity scheme of the Company is funded.

The amount included in the balance sheet arising from the Group's obligation in respect of defined benefit plans is as follows:

(₹ in Lacs)

	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Present value of defined benefit asset			
Non-current	87.25	65.45	312.70
Current	-	-	-
	87.25	**65.45**	**312.70**

Movement in the present value of the defined benefit obligation are as follows: (₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening defined benefit obligation	1,148.08	1,127.03
Current service cost	63.34	69.97
Interest cost	69.34	84.19
Remeasurement (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	11.86	33.89
Actuarial (gain)/loss from change in experience adjustment	(75.66)	(94.25)
Benefits paid	(279.07)	(72.75)
Closing defined benefit obligation	**937.89**	**1,148.08**

Significant actuarial assumptions for the determination fo the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes iof the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Fair value of plan assets at the end of the period (₹ in Lacs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Fair value of plan assets at the beginning of the period	1,213.53	1,439.74
Interest Income	73.30	107.55
Assets transfer out/Divestments	-	(250.00)
Benefit paid from the fund	(279.07)	(72.75)
Return on plan assets, excluding interest income	17.39	(11.01)
Closing fair value of plan assets	**1,025.14**	**1,213.53**
Amount recognised in the Balance sheet		
Present value of benefit obligation at the end of the period	(937.89)	(1,148.08)
Fair value of plan assets at the end of the period	1,025.14	1,213.53
Net (Liability)/Assets Recognised in the balance sheet	**87.25**	**65.45**
Net interest cost for current period		
Opening defined benefit obligation	1,148.08	1,127.03
Fair value of plan assets at the beginning of the period	(1,213.53)	(1,439.74)
Net (Liability)/Assets at the beginning	**65.45**	**312.71**
Interest cost	69.34	84.19
(Interest income)	(73.30)	(107.55)
Net interest cost for current period	**(3.96)**	**(23.36)**
Expenses recognised in the statement of profit and loss for current period		
Current service cost	63.34	69.97
Net interest cost for current period	(3.96)	(23.36)
Expenses recognised	**59.38**	**46.61**
Expenses recognised in other comprehensive income for current period		
Actuarial (gains)/losses on obligation for the period	(63.79)	(60.36)
Return on plan assets, excluding interest income	(17.39)	11.01
Net (income)/expenses for the period recognised in OCI	**(81.18)**	**(49.35)**

A. Sensitivity analysis:

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would changes as: (₹ in Lacs)

	As at 31 March, 2021		As at 31 March, 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(53.87)	60.80	(60.66)	68.26
Salary growth rate	60.10	(54.27)	67.61	(61.22)
Withdrawal rate	(0.80)	0.87	(0.10)	0.09

(₹ in Lacs)

	As at 1 April 2019	
	Increase by 1%	Decrease by 1%
Discount rate	(63.98)	72.02
Salary growth rate	70.95	(64.24)
Withdrawal rate	(2.71)	2.95

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

There is no provision made for compensated absences and gratuity as the subsidiary Kaolin India Private Limited have no policy for the same.

42 SEGMENT INFORMATION

The Group's strategic steering committee, consisting of the Chief Executive Officer and the Chief Financial Officer for corporate planning, examines the Company's performance on the basis of sales of goods. The Company engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay. Hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

43 The Group except the subsidiary has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for Income Tax for the year ended 31 March, 2020 and re-measured its net deferred tax liabilities (DTL) basis the rates prescribed in the said section. The impact of this change has been recognised in the profit and loss account.

44 FINANCIAL INSTRUMENTS

i. Capital Management

The Group's objectives when managing capital are to

a. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

b. maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The gearing ratio at end of the reporting period was as follows: (₹ in Lacs)

	Note	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Debt		4,953.64	2,694.90	4,452.72
Cash and Bank balances		97.81	43.48	1,964.84
Net debt		**4,855.83**	**2,651.42**	**2,487.88**
Total Equity		17,536.14	18,668.96	19,757.27
Net debt to equity ratio (%)		27.69%	14.20%	12.59%

ii. Categories of financial instruments

	Note	As at 31 March, 2021	As at 31 March, 2020	As at 1 April, 2019
Financial assets				
Measured at fair value through profit or loss	6	5.00	5.00	5.00
Measured at amortised cost				
Financial assets				
a. Trade receivables	11	2,138.45	2,576.99	2,659.83
b. Cash and cash equivalents	12	76.95	22.00	1,931.58
c. Other bank balances	13	20.86	21.48	33.26
d. Financial assets				
- Other financial assets	7	241.99	248.14	214.51
a. Non current	7	209.35	268.45	59.79
b. Current				
Financial liabilities				
a. Borrowings				
i. Long term borrowings	17	1,788.87	837.82	-
ii. Short term borrowings	20	2,498.16	1,703.31	4,452.72
b. Trade payables	21	2,559.30	3,925.02	3,379.87
c. Current maturities of long term debt	22	666.61	153.77	-
d. Other financial libailities other than current maturities				
Current	22	252.85	117.18	92.35
Non-current	18	63.06	94.85	124.33
Measured at fair value through other comprehensive income		-	-	-

The fair value of the financial assets and financial liabilities are equal to the carrying value of the financial instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The fair value hierachy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For financial assets and liabilities included in Level 3 of fair value hierachy have been valued using the cost approach to arrive at their fair value.

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 Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness 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 quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- The Group enters into foreign exchange forward contracts with bankers of the Group and are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31 March 2021, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- The fair values of the Group'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 2021 was assessed to be insignificant.

Level wise disclosure of financial instruments

	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2019	Level
Other investment	5.00	5.00	5.00	Level III

iii. Financial risk management objectives

The Group'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 Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. . It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Financial risk management

The Holding Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

b. 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 the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

c. Foreign currency risk management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Group hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Holding Company's Board of Directors, and in accordance with the applicable regulations where the Group operates.

The Group exposes to foreign currency risk are as follows: (₹ in Lacs)

Particulars	Receivables - Trade	Payable - Trade
As at 31 March, 2021		
USD	547.76	96.76
As at 31 March, 2019		
USD	423.40	72.24
As at 1 April, 2019		
USD	294.61	24.42

Sensitivity analysis (₹ in Lacs)

	Effect on profit before tax		
Particulars	**31 March, 2021**	**31 March, 2020**	**1 April, 2019**
USD sensitivity			
Increase by 5%	22.55	17.56	13.51
Decrease by 5%	(22.55)	(17.56)	(13.51)

(₹ in Lacs)

	Effect on equity		
Particulars	**31 March, 2021**	**31 March, 2020**	**1 April, 2019**
USD sensitivity			
Increase by 5%	16.87	13.14	10.11
Decrease by 5%	(16.87)	(13.14)	(10.11)

Sensitivity analysis is computed by changing the exchange rate only and holding all other variables constant.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposure are managed within approved policy parameters utilising forward foreign exchange contracts, however at the year end there are no significant exposure of the Group towards foreign currency.

d Interest rate risk management

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on theGroup's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at 31 March, 2021 and 31 March, 2020, financial liability of ₹ 3055.14 Lacs and ₹ 2694.89 Lacs, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 30.55 Lacs and ₹ 26.95 Lacs for the year ended 31 March, 2021 and 31 March, 2020, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

e Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises principally from the trade receivables, loans, cash and cash equivalents, derivatives and financial guarantees.

Trade receivables

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 2,138.45 lacs, ₹ 2,576.99 lacs and ₹ 2659.83 lacs as at 31 March 2021, 31 March 2020 and 1 April, 2019 respectively. Credit risk has always been managed through monitoring the credit worthiness of customers in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers.

Revenue in %

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue from top customer	48.25%	39.06%
Revenue from top five customer	60.01%	53.22%

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade rececivables which is based on historical experience. The are no expected credit loss as per the evaluation of the management at period end.

Cash and cash equivalents, derivatives and financial guarantee

Credit risks from balances with banks and financial institutions are managed in accordance with the Group policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Group's maximum exposure in this respect is the maximum amount of the Group would have to pay if the guarantee is called upon.The Group's maximum exposure to the credit risk for the components of balance sheet as 31 March 2021 and 31 March 2020 and 1 April, 2019 is the carrying amounts mentioned in Note no. 11 except for financial guarantees. The maximum exposure relating to financial guarantees as at 31 March 2021, 31 March 2020 and 1 April, 2019 is ₹ 177.89 Lacs, 200.73 lacs and 175.61 lacs respectively.

f. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and longˆterm. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its nonˆderivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Contractual maturities of financial liabilities (₹ in Lacs)

	less than 1 year	1 to 5 year	more than 5 year	Total
As at 31 March 2021				
Borrowings	3,164.77	1,788.87	-	4,953.64
Trade payables	2,559.30	-	-	2,559.30
Other financial liabilities	252.85	63.06	-	315.91
As at 31 March 2020				
Borrowings	1,857.08	837.82	-	2,694.90
Trade payables	3,925.02	-	-	3,925.02
Other financial liabilities	117.18	94.85	-	212.03
As at 31 March 2019				
Borrowings	4,452.72	-	-	4,452.72
Trade payables	3,379.87	-	-	3,379.87
Other financial liabilities	92.35	124.33	-	216.68

The Group has sanctioned working capital credit limit amounting to ₹ 4,000 Lacs (As at 31 March, 2020 ₹ 4,000 Lacs and As at 1 April, 2019 ₹ 4,000 Lacs)

45 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

a. As per section 135 of the Companies Act, 2013, the Group, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three Financial Year on Corporate Social Responsibility ('CSR') activities. A CSR committee has been formed by the Group as per the Act.

(₹ in Lacs)

Detail of CSR Expenditure	For the year ended 31 March, 2021	For the year ended 31 March, 2020
a. Gross Amount required to be spent by the Group during the year	36.29	73.46
b. Amount spent in cash during the year on:	48.76	55.81

b. The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagers. The funds were primarily allocated and utilised for the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lacs)

Particulars	Year Ended 31 March, 2021		Year Ended 31 March, 2020	
	Paid in Cash	Yet to be Paid in Cash	Paid in Cash	Yet to be Paid in Cash
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	48.76	-	55.81	-
Total of (i) and (ii)	**48.76**	**-**	**55.81**	**-**

46 The operations of the Group were impacted, due to shutdown of its plant and offices following nationwide lockdown by the Government of India due to COVID 19. The Group has resumed operations in a phased manner as per directives from the Government of India from 01 June 2020. The Group has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31 March 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions.

47 RIGHT TO USE ASSETS

i. Carrying value of right to use assets at the end of reporting period

Particulars	(₹ in Lacs)	(₹ in Lacs)
Balance as at 1 April, 2019	147.24	147.24
Addition during the year	-	-
	147.24	**147.24**
Depreciation during the year	32.27	32.27
Derecognised during the year	-	-
Balance as at 31 March, 2020	**114.97**	**114.97**
Addition during the year	100.11	100.11
Depreciation during the year	53.30	53.30
Derecognised during the year	54.28	54.28
Balance as at 31 March, 2021	**107.49**	**107.49**

ii. Additions to right to use assets

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Right-of-use assets - Leases	100.11	-
	100.11	**-**

iii. Right-to-use assets

At cost or deemed cost

Particulars	(₹ in Lacs)
Balance as at 01 April, 2019	**-**
Additions	147.24
Dereognition	-
Balance as at 31 March, 2020	**147.24**
Additions	100.11
Dereognition	54.28
Balance as at 31 March, 2021	**193.07**
Accumulated amortisation	
Balance as at 01 April, 2019	-
Charge for the Year	32.27
Balance as at 31 March, 2020	**32.27**
Charge for the Year	53.30
Balance as at 31 March, 2020	**85.57**
Net carrying amount	
At 31 March, 2020	**114.97**
At 31 March, 2021	**107.49**

Notes:

1 The Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach. On transition, the adoption of new standard resulted in recognition of Right-of -Use asset (including additions and derecognition during the year) ₹ 147.24 lakh and an equal amount of lease liability. The effect of this adoption is not material on profit and earnings per share for the year ended.

2 The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

3 Transition impact of Ind AS - 116

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

The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similarend date.

b. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of leaseterm on the date of initial application or low value leases.

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

d. Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. The following is the movement in lease liabilities during the year ended March 31, 2020 and March 31, 2021 (₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balance at the Beginning of the year	120.37	-
Recognition on account of adoption of Ind AS 116	-	147.24
Additions during the year	100.11	-
Deletion during the year	59.00	-
	161.48	**147.24**
Finance cost accrued during the year	15.40	11.75
Payment of lease liabilities	62.98	38.62
Balance at the end	**113.90**	**120.37**

f. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Due within one year	53.71	28.45
Due later than one year and not later than five years	60.19	91.92
Due later than five years	-	-
Total	**113.90**	**120.37**

g. Amounts recognised in profit or loss (see note 'a' below) (₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Interest on lease liabilities	15.40	11.75
Depreciation on right of use assets	53.30	32.27
Expenses relating to short-term and low value leases	125.76	188.63
(Income)/Expenses on de-recognised of lease	(4.72)	-
	189.75	**232.65**

Note

a. Since the Ind AS 116 is applicable from 1 April, 2019, hence no disclosure has been made for the previous year.

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

v. Rental expense recorded for short-term and low value leases is recognised for the year ended March 31, 2020 ₹ 125.76 lacs (Previous year ₹ 188.63 lacs), the same have been recorded under the head 'Other expenses' in the financial statements.

vi. Rental income on assets given on sub-lease is Nil for the year ended 31 March, 2021. (Nil for the year ended 31 March, 2020).

vii. Right of use assets and liabilities of ₹ 147.24 lacs and ₹ 147.24 lacs have been recognised as at 1 April, 2019.

viii. The Group based on best estimation amount of ₹ 437.51 lakh net block which are inclued in right to use assest are classifed in Non-current assets classified as held for sale in 31 March 2020 and 31 March 2021.

Lease Commitments In Previous GAAP

The Group has entered into leasing arrangements for office buildings and godown for storage of inventory that are cancellable at the option of the Company. Rent expense on account of cancellable leases for the year ended 31 March 2020 amounts to ₹ 187.31 lacs (31 March, 2020 ₹ 226.63 lacs).

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
i. Payable not later than 1 year	45.33	38.93
ii. Payable later than 1 year not later than five years	42.60	49.06
	87.93	**87.99**

48 RELATED PARTIES

a. List of related parties

i Holding Company

Karun Carpets Pvt. Limited

DBH International Pvt. Limited (merged with Karun Carpets Pvt. Ltd)

ii. Enterprises over which shareholders or directors exercise significant influence

Greaves Cotton Limited

Premium Transmission Private Limited

DBH Holdings (India) Private Limited (Earlier known as Pembril Industrial & Engineering Co. Pvt. Limited)

Greaves Leasing Finance Limited

Dee Greaves Limited

Bharat Starch Products Private Limited (merged with Karun Carpets Pvt. Ltd)

Aravali Sports & Cultural Foundation

DBH Consulting Limited

DBH Investments Pvt. Limited (merged with Karun Carpets Pvt. Ltd)

Ampere Vehicles Private Limited

iii. Key management personnel

Mr. Karan Thapar – Chairman

Mr. Vijay Kishore Sharma - Director (Upto 26 February 2020)

Mr. T. Balakrishnan - Director

Mr. Vijay Dilbagh Rai - Director

Ms. Shivpriya Nanda - Director

Mr. Joy Kumar Jain - Director (Upto 11 May 2020)

Mr. Suresh Kumar Jain -Executive Director (upto 04 November 2020 and thereafter Director)

Mr. Bhagawandas Bhojwani - Chief Executive Officer (w.e.f 06 November 2020)

Mr. Mahendra Kumar Gupta - Chief Financial Officer

Ms. Shalini Chawla - Company Secretary

b. Transactions /balances outstanding with related parties

(₹ in Lacs)

Particulars	Holding Company		Enterprises over which shareholders or directors exercise significant influence		Key management personnel		Total	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Transactions during the year								
Loans Received	**1,000.00**	-	-	-	-	-	**1,000.00**	-
Karun Carpets Private Limited *	1,000.00	-	-	-	-	-	1,000.00	-
Technical Fees	-	-	-	**16.41**	-	-	-	**16.41**
DBH Consulting Limited	-	-	-	16.41	-	-	-	16.41
Rent paid (adjusted with lease liabilities)	**18.00**	**18.00**	-	-	-	-	**18.00**	**18.00**
Karun Carpets Private Limited *	18.00	18.00	-	-	-	-	18.00	18.00
Interest Paid	**36.85**	-	-	-	-	-	**36.85**	-
Karun Carpets Private Limited *	36.85	-	-	-	-	-	36.85	-
Proffessional Fees	-	-	-	-	**6.00**	-	**6.00**	-
Mr. Suresh Kumar Jain	-	-	-	-	6.00	-	6.00	-
Reimbursement of expenses incurred by the Company on behalf of others	-	-	**76.24**	**124.52**	-	-	**76.24**	**124.52**
Premium Transmission Private Limited	-	-	76.24	112.67	-	-	76.24	112.67
Greaves Cotton Limited	-	-	-	11.85	-	-	-	11.85
Reimbursement of expenses incurred by others on our behalf	**11.34**	-	-	-	-	-	**11.34**	-
Karun Carpets Private Limited *	11.34	-	-	-	-	-	11.34	-
Directors Sitting Fees	-	-	-	-	**23.15**	**19.65**	**23.15**	**19.65**
Mr. Karan Thapar	-	-	-	-	4.45	2.95	4.45	2.95
Mr. Vijay Kishore Sharma	-	-	-	-	-	2.70	-	2.70
Mr. T. Balakrishnan	-	-	-	-	5.55	3.80	5.55	3.80
Mr. Vijay Dilbagh Rai	-	-	-	-	6.50	2.75	6.50	2.75
Ms. Shivpriya Nanda	-	-	-	-	5.65	3.30	5.65	3.30
Mr. Joy Kumar Jain	-	-	-	-	0.50	4.15	0.50	4.15
Mr. Suresh Kumar Jain	-	-	-	-	0.50	-	0.50	-
Sale of fixed assets	**18.80**	-	-	-	-	-	**18.80**	-
Karun Karpets Private Limited	18.80	-	-	-	-	-	18.80	-
Managerial remuneration	-	-	-	-	**293.18**	**209.45**	**293.18**	**209.45**
Mr. Suresh Kumar Jain	-	-	-	-	118.39	105.38	118.39	105.38
Mr. Bhagawan Das Bhojwani	-	-	-	-	92.49	-	92.49	-
Mr. Mahendra Kumar Gupta	-	-	-	-	60.75	70.54	60.75	70.54
Ms. Shalini Chawla	-	-	-	-	21.55	33.53	21.55	33.53

* Subsequent to merger of DBH International Pvt. Ltd and Bharat Starch Products Private Limited with Karun Carpets Private Limited all the related party transactions are shown under Karun Carpets Private Limited

(₹ in Lacs)

Particulars	Holding Company		Enterprises over which shareholders or directors exercise significant influence		Total	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Outstanding balances						
Unsecured loan payable	**1,000.00**	-	-	-	**1,000.00**	-
Karun Carpets Private Limited *	1,000.00	-	-	-	1,000.00	-
Receivable	-	-	**15.31**	**9.78**	**15.31**	**9.78**
Premium Transmission Private Limited	-	-	13.31	7.78	13.31	7.78
Karun Carpets Private Limited *	-	-	2.00	2.00	2.00	2.00

* Subsequent to merger of DBH International Pvt. Ltd and Bharat Starch Products Private Limited with Karun Carpets Private Limited all the related party transactions are shown under Karun Carpets Private Limited.

49 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in Total comprehensive income		Share in profit and loss		Share in Other comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated net assets	Amount (₹ in Lacs)
Holding Company EICL Limited	100.13%	17,568.60	98.05%	-1,100.36	98.15%	-1,161.11	100.00%	60.75
Subsidiary Kaolin India Private Limited	-0.13%	(22.05)	1.95%	(21.83)	1.85%	(21.83)	0.00%	-
	100.00%	**17,546.55**	**100.00%**	**-1,122.19**	**100.00%**	**-1,182.94**	**100.00%**	**60.75**
Adjustments arising out of consolidation		**(10.41)**		**(10.63)**		**(10.63)**		**-0.00**
		17,536.14		**(1,132.82)**		**(1,193.57)**		**60.75**

50 The Group has prepared the consolidated financial statements for the first time during the current year (2020-21). Further, the Holding Company's financial statements were prepared under Ind AS for the first time during the current year (2020-21). Accordingly, disclosures pertaining to Ind AS 101 (First-time Adoption of Indian Accounting Standards) has not been made in the consolidated financial statements as the same has been disclosed in the standalone financial statements of the Holding Company.

51 EVENTS AFTER THE REPORTING PERIOD

There are no event observed after the reported period which have an impact on the Group's operation.

52 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by Board of Directors on 25 May, 2021.

For **S. N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No. 000050N/N500045

Sd/-
Rajeev Kumar Saxena
Partner
Membership No. 077974

Place: Noida
Date: 25 May 2021

For **and on behalf of the Board of Directors of EICL Limited**

Sd/-
Suresh Kumar Jain
Director
DIN : 00003500

Sd/-
Vijay D Rai
Director
DIN : 00075837

Sd/-
Bhagwandas Bhojwani
Chief Executive Officer

Sd/-
Mahendra Kumar Gupta
Chief Financial Officer

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 25 May 2021