Binani

BRAJ BINANI GROUP

# EDAYAR ZINC LIMITED

ANNUAL REPORT 2020-21

# Edayar Zinc Limited

(A Subsidiary of Binani Industries Limited)

Binani
BRAJ BINANI GROUP

**BOARD OF DIRECTORS**

| | |
|---|---|
| Mrs. Visalakshi Sridhar | Managing Director |
| Ms. Kirti Mishra | Director |
| Mr. Pradeep Sharma | Director |
| Mr. Gour Chandra Das | Director |
| Mr. Mohd. Bismith Allingal | Director |
| Mr. Abdul Salim Ali Kunju (W.e.f. 26.03.2021) | Director |

**AUDITORS**
M/s Udeshi Shukla & Associates,
Chartered Accountants,
B220, Pranik Chambers,
2nd Floor, Sakivihar Road,
Saki Naka, Andheri East,
Mumbai-400 072
Tel:+9167088200

**SECRETARIAL AUDITORS**
Aabid & Co.,
Company Secretaries,
302, 22-Business Point,
SV Road, Opp Andheri Sub-Way,
Next to DCB Bank, Andheri (West),
Mumbai - 400 058.
Mob:+91 9892158830

**BANKERS**
Punjab National Bank
Punjab & Sind Bank

**REGISTERED OFFICE**
37/2, Chinar Park, New Town,
Rajarhat Main Road,
P.O. Hatiara, Kolkata- 700157.
Tel: +91 08100326795
Fax: +91 033-40088802
Email: sauvik.nayak@binani.net
CIN: U27204WB2000PLC091214

**CORPORATE OFFICE**
Mercantile Chambers
12, J.N. Heredia Marg,
Ballard Estate, Mumbai - 400 001.
Tel: 022- 41263000
Fax: 022-22634960
Email: pb@binani.net

**PLANT LOCATION**
Binanipuram, Ernakulam,
Kerala - 683 502

**REGISTRAR & SHARE TRANSFER AGENTS**
M/s. Link Intime India Private Limited
247 Park, C-101, L.B.S. Marg,
Vikhroli (W), Mumbai-400 083.
Tel: 022 - 49186000
Fax: 022-49186060
Email: mumbai@linkintime.co.in
rnt.helpdesk@linkintime.co.in

**SUBSIDIARY**
R. B. G. Minerals Industries Limited
22 Shubham Enclave, Parivahan Marg,
C-Scheme, Jaipur, 302001

## EDAYAR ZINC LIMITED

(Formerly Binani Zinc Ltd)
CIN: U27204WB2000PLC091214
**Registered Office:** 37/2 Chinar Park, New Town, Rajarhat Main Road, P O Hatiara, Kolkata - 700 157.
website: www.binaniindustries.com; Tel: 08100326795 Fax: 033 – 40088802 Email – binanigroupcal@rediffmail.com

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 21st Annual General Meeting of the Members of **EDAYAR ZINC LIMITED** (Formerly known as Binani Zinc Ltd) will be held through Video Conferencing/ Other Audio Visual Means (OAVM) on Thursday, December 30, 2021 at 12.00 Noon IST in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020, 17/2020 and 02/2021 dated 5th May, 2020, 8th April, 2020, 13th April, 2020 and 13th January 2021 respectively, to transact the following businesses

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated audited Financial Statements of the Company for the Year ended 31st March, 2021 including the Audited Balance Sheet as at 31st March, 2021, together with reports of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Mohd. Bismith Allingal (DIN –08227170), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS:**

3. **To Appoint Mr. Abdul Salim Ali Kunju (DIN 08279794) as a Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

   **"RESOLVED THAT,** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rules made thereunder (including any statutory modification(s), enactment(s) or re-enactment (s) thereof, for the time being in force), Mr. Abdul Salim Ali Kunju (DIN - 08279794) who was appointed as an Additional Director, of the Company by the Board of Directors effective 26th March, 2021, and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and he is hereby appointed as a Director of the Company, liable to retire by rotation."

4. **To Re-appoint Mrs. Visalakshi Sridhar (DIN 07325198) as Managing Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), as a **Special Resolution**, the following:-

   "**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company in their respective meetings held on 26th March, 2021 and subject to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force] and subject to such other approvals as may be required, the Company hereby accords its approval to the re-appointment of Mrs. Visalakshi Sridhar (DIN 07325198) as a Managing Director of the Company for a period of One Year effective from 9th April, 2021 till 9th April, 2022 upon NIL Remuneration and Perquisites and other terms and conditions as set out in the draft Agreement to be entered into between the Company and Mrs. Visalakshi Sridhar (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as the Board of Directors may consider necessary and as may be agreed to by Mrs. Visalakshi Sridhar within the overall limits as specified in Schedule V of the Companies Act, 2013 for the time being in force or any statutory modification or re-enactment thereof and /or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Mrs Visalakshi Sridhar shall be suitably modified to give effect to such variation or increase, as the case may be.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps, as may be necessary, proper or expedient to give effect to this Resolution."

5. **Alteration and Substitution of the object clause of the Memorandum of Association of the company.**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

   **ALTERATION AND SUBSTITUTION OF THE MAIN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

   **"RESOLVED THAT** pursuant to the provision of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and rules made thereunder, including any statutory modification (s) or re-enactment thereof, for the time being in force and subject to such approval(s) as may be necessary from competent authorities, Clause 3A Clause 3B, and Clause 3C be and are hereby inserted under Part A of the Object Clause of the Memorandum of Association of the Company after Clause 3.

   Clause 1.3: To carry on the business of constructing, developing, operating and maintaining special economic zones (SEZs)/free trade and warehouse zones (FTWZs), inland container depots (ICDs), industrial parks, logistic parks, warehouses, infrastructure or infrastructure projects; and to act as contractors, builders, town planners, estate developers, engineers, land developers, land consolidators, land scrapers, estate agents, immovable property dealers and other allied and/or ancillary activities; and to acquire, build, operate, buy, sell, lease, sub-lease, long lease, leave and license basis, consolidate, exchange, hire or otherwise; lands, buildings, immovable property of any tenure or any interest in the same, SEZs, FTWZs, ICD, warehouses, houses, flats, bungalows, commercial complexes, shopping malls, multiplexes, food courts and other ancillary and/or allied activities, on the land of the company or other land or any immovable property whether belonging to the company or not; and to pull down, rebuild, enlarge, alter any other conveniences and to deal with and improve, in India or abroad either by company or with joint venture or in partnership or on sub-contract basis or otherwise.

Clause 1.4:To carry on the business of any type of transport/ logistic services including but not limited to setting up of rail infrastructure / network within India and abroad including buy, construct, sale ,operates including movement of containers / goods trains using any rail network; and also to acquire, procure, obtain, trade, lease/license or otherwise: container trains, rakes, wagons, bogies; and to create, develop, sale, Purchase, trade or obtain on lease/license basis railway sidings, rail yards, warehouses required for the business of the company and all allied and ancillary services / products related to that.

Clause 1.5:To carry on the business developing and maintaining container freight stations, warehousing infrastructure and services, facilities for customs examination or any other regulator/ regulatory authority or department, EDI, empty container yard for storage of shipping containers and other containers or materials; and to carry out repairs and refurbishment of containers, truck, cargo and material handling equipment; and to provide transportation, warehousing, IT & IT infrastructure and services, cold storage and other allied activities; and to provide services of distribution, reverse logistics, forward logistics, supply chain management, value added services, repair and maintenance, manufacture, transportation, consultancy services; and also to provide system/ software solutions, data analytics, acquire, take on lease, hire or otherwise, distribution centres, trucks and material handling equipment as may be necessary to carry on the aforesaid business in India or abroad.

Amendment of incidental or ancillary objects clause of the memorandum of association of the company by including the following objects which were in the other objects clause of the memorandum of association.

**RESOLVED THAT** pursuant to the provision of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and rules made thereunder, including any statutory modification (s) or re-enactment thereof, for the time being in force and subject to such approval(s) as may be necessary from competent authorities, to append following objects clause which were in the Other Objects Clause of the Memorandum of Association to the Incidental and ancillary clause of Memorandum of Association of Company. "

**Deletion of Other Objects Clause of the Memorandum of Association**

**"RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Kolkata and subject to the approval of Shareholders in General Meeting, to the Other Objects clause of Memorandum of Association of the Company be altered by."

By Order of the Board of Directors
For **Edayar Zinc Limited**

**Visalakshi Sridhar**
Managing Director,
CFO and Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Place: Mumbai
Date : November 12, 2021

**NOTES:**

1. Explanatory Statement setting out the material facts concerning each item of Special Business (which have been considered as unavoidable by the Board) to be transacted at this Annual General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required under SS-2 are provided in the Annexure to this Notice.

2. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020, January 13, 2021 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2021 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith(Collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company www.binaniindustries.com.

3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, Proxy Form Attendance Slip and Route Map are not annexed to this Notice.

4. The members who have not yet registered their e- mail ids with the Company may contact Ms. Surabhi Gangatirkar of Link Intime, Registrar and Transfer Agent on surabhi.gangatirkar@linkintime.co.in or 022-49186270 for registering their e- mail ids or for change in e-mail ids. (DP must be notified for change of e-mail id where shares are held in electronic form) on or before December 23, 2021. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.

5. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.

6. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, the Company has engaged the services of Link Intime India Pvt. Ltd. to provide the facility of voting through electronic means to the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting.

7. The remote e-voting period commences on Monday, December 27, 2021 (9:00 a.m. IST) and ends on Wednesday, December 29, 2021 (5:00 p.m. IST).During this period, Members holding shares either in physical form or in dematerialized form, as on the cut off date i.e. December 23, 2021, Such Member may obtain the User Id and password by sending a request at rnt.helpdesk@linkintime.co.in

8. The Board of Directors has appointed Mr. Mohammad Aabid, Membership No.F6579 Certificate of Practice No. 6625 of M/s. Aabid & Co., Practicing Company Secretary as the Scrutinizer for the purpose of scrutinizing the remote e- voting and e- voting system provide in the Meeting in a fair and transparent manner.

9. The Company shall be providing the facility of voting through E-mail which shall be sent to the designated e- mail id of the Scrutinizer i.e. aabid@aacs.in with a copy marked to rnt.helpdesk@linkintime.co.in to those members who do not cast their vote through remote e- voting,.

10. Voting rights of the members (for voting through remote e-voting or e-voting system provided in the Meeting itself shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. December 23, 2021. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or e- voting system provide in the Meeting.

11. Instructions for Shareholders / Members to vote during the Annual General Meeting through InstaMeet:

**Process and manner for attending the Annual General Meeting through Insta Meet:**

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

- Select the "**Company**" and '**Event Date**' and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the pb@binani.net created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through Insta Meet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

   Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

   Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

   Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

   Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

   In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

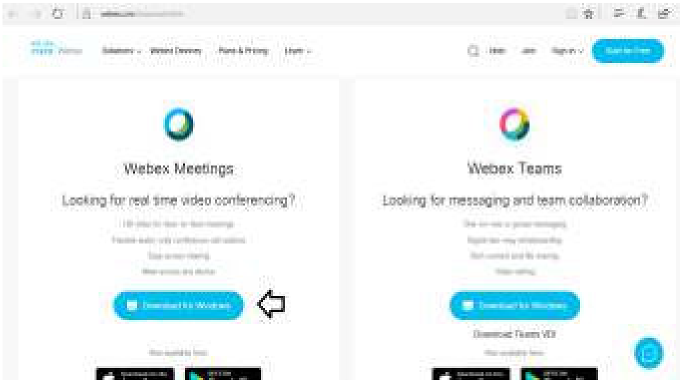
   **InstaMeet Support Desk**

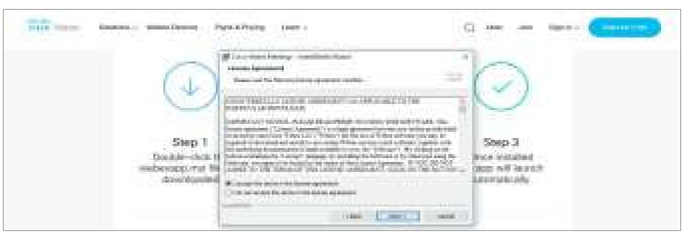
   **Link Intime India Private Limited**

   **Annexure Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

   For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/



b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

The Register of Members of the Company will remain closed from Thursday, 23rd December, 2021 to Thursday, 30th December, 2021(both days inclusive)

1. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 together with all other relevant documents referred to in the accompanying notice/explanatory statement shall be made available only electronic form Members seeking to inspect the same send their request to the Company at e-mail id pb@binani.net.

2. The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2020-21 shall also be available on the websitewww.binaniindustries.com and also available on the website of Link Intime India Private Ltd. at https//instavote.linktime.co.in

3. The results of remote e-voting and e- voting system provided in the Meeting shall be aggregated and declared on or after the Meeting of the Company by the Chairman or by any other person duly authorised in this regard.

4. The results declared along with the report of the scrutinizer shall be placed at the website of https//instavote.linktime.co.in immediately after the result is declared by the Chairman. The Company at www.binaniindustries.com and also at the website of Link Intime India Private Limited

5. Members are requested to contact the Company's Registrar & Share Transfer Agent, i.e. M/s Link In Time India Private Limited for reply to their queries/ redressal of complaints, if any, or contact Ms. Vahini Kanojiya on e-mail vahini@binani.net or Mr. Sauvik Nayak of the Company (Phone: 8100326795 ; Email: sauvik.nayak@binani.net) .

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA viz. M/s Link Intime India Private Limited or the Company.

7. After the introduction of Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 dated 10th September, 2018, physical transfer of shares of all Unlisted Public Companies w.e.f. 2nd October, 2018, have been restricted (exemptions provided in notification of the MCA dated 22/01/2019). Hence the shareholders who desire to transfer their shares are requested to dematerialize the same before transfer.

8. Non-Resident Indian Members are requested to inform RTA, immediately on: (a) Change in their residential status on return to India for permanent settlement; (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN Code number, if not furnished earlier.

9. The equity shares of the Company are eligible for dematerialization with both depositories NSDL and CDSL. The ISIN of the Company is INE310H01010. The Company's shares however are not listed on any Stock Exchange.

10. Instructions for voting through electronic means (e-voting) & other instructions relating thereto are as under:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.<br>• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. |

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| | • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.<br>• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. |
| **Individual Shareholders (holding securities in demat mode) & login through their depository participants** | • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| | |
|---|---|
| **Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.** | 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in<br>▸ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -<br>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.<br>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.<br>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)<br>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.<br>• Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above<br>▸ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).<br>▸ Click "confirm" (Your password is now generated).<br>2. Click on 'Login' under 'SHARE HOLDER' tab.<br>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.<br>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.<br>5. E-voting page will appear.<br>6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).<br>7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. |

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions** ('FAQs') and **InstaVote e-**Voting manual available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.
**InstaVote Support Desk**
**Link Intime India Private Limited**

By Order of the Board of Directors
For **Edayar Zinc Limited**

**Visalakshi Sridhar**
Managing Director CFO and
Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Place: Mumbai
Date : November 12, 2021

## ANNEXURE TO NOTICE

**Statement pursuant to Section 102 (1) of the Companies Act, 2013.**

**Item No: 3**

Mr Abdul Salim Ali Kunju, aged about 53 years is an Engineer by profession. He has more than 23 years of Experience in the Oil & Gas industry both onshore and offshore, he is responsible for the overall management of the business units. Mr. Salim, is an all-rounder in the field of Oil & Gas as Operator and EPC Contractor. He holds a Bachelor's Degree in Instrumentation & Control Engineering from the University of Calicut, India (1989), and has worked with companies- ONGC, Dubai Petroleum Company (ConocoPhillips BU), Qatar Petroleum, and GPS.

Your Directors recommend the Resolution for your approval as an **Ordinary Resolution**.

Except Mr. Abdul Salim Ali Kunju, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in this **Ordinary Resolution**

**Item No.4**

The term of Mrs. Visalakshi Sridhar as Managing Director got expired on 8thApril, 2021. The Board re-appointed Mrs. Visalakshi Sridhar as the Managing Director of the Company, at the meeting of the Board of Directors held on 26th March, 2021 subject to the approval of the members at the Annual General Meeting, for a period of 1 year effective from 9th April, 2021 till 9th April, 2022 for NIL Remuneration and Perquisite. The Nomination and Remuneration Committee has also recommended her re-appointment as the Managing Director of the Company; hence the approval of the members is sought for her appointment as the Managing Director. The information and disclosures, as required under Section-II of PartII of Schedule V of the Companies Act, 2013, are given herein below:-

The information and disclosures, as required under Section-II of Part-II of Schedule V of the Companies Act, 2013, are given herein below:-

**I. General Information:**

**(1) Nature of industry:**

The company was engaged in production of various types of Zinc and Alloys and by products. The assets of the Company have been taken over by the Banks led by Punjab National Bank (PNB) under Sarfaesi. Pursuant to the One Time Settlement (OTS) being entered into by the Company with the Banks led by PNB, the Company has paid about 48% of the OTS amount. The OTS is being funded by sale of assets of the company.

**(2) Date or expected date of commencement of commercial production:**

Commercial Production commenced in the year 2000.

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

**(4) Financial performance based on given indicators:**

**(Rs. In lacs)**

| Financial Parameters | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|
| Net Sales & Other Income | 0.81 | 0.88 | 3.61 | 27.84 | 200.74 |
| Interest & Financial Charges | 0.03 | 0.01 | 0.01 | 0.26 | 1.4 |
| Depreciation & Amortisation | 5.92 | 344.35 | 374.84 | 380.65 | 389.43 |
| Profit/ (loss) before tax | (126.42) | (2661.80) | (486.51) | (618.50) | (615.92) |
| Profit/ (loss) after tax | (650.31) | (2662.85) | (494.32) | (3475.85) | (615.92) |
| Exceptional items / Prior period items | 523.89 | 1.05 | 7.81 | 2857.35 | - |
| Other Comprehensive Income | - | - | - | - | 15.47 |
| Profit/(Loss) and other Comprehensive Income | (650.31) | (2662.85) | (494.32) | (3475.85) | (600.45) |

**(5) Export performance and net Foreign Exchange**

The Company has not earned foreign exchange through exports for the period under review.

**(6) Foreign investments or collaborations, if any.**

The Company has not made any foreign investment during the period under review.

**II. Information about the appointee:**

**(1) Background details:**

Mrs. Visalakshi Sridhar aged about 55 years holds B.com AICWA & ACS.She has experience of over 31 years in diversified business in the domain of Finance, Strategy Accounts and Company Secretary. She has been associated with the Group for over 20 years in various capacities. During her association with the Group, the Group has completed organic and inorganic expansion in Cement and Glass Fibre.

In addition to the above she is also a Managing Director, CFO and Company Secretary of the Holding Company.

**(2) Past remuneration:**

Details of remuneration received from the Company in last three years:

(Rs. In lacs)

| Particulars | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|
| Remuneration received | Nil | Nil | Nil |

**(3) Recognition or awards:**

NIL

**(4) Job profile and his suitability:**

Mrs. Sridhar as Managing Director is responsible for the day to day affairs of the Company and control of the Board of Directors of the Company.

She possesses expertise in Accounting Secretarial, Finance, Strategy etc.

**(5) Remuneration proposed:**

Mrs. Visalakshi Sridhar is appointed as Managing Director of the Company on NIL Remuneration.

**(6)** Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person Mrs. Visalakshi Sridharis drawing NIL remuneration in the Company.

**III. OTHER INFORMATION**

1. Reason of loss or inadequate profits:

   Company has not been operating the plant since November 27, 2014 and incurring losses for the last three financial years.

2. Steps taken or proposed to be taken for improvement:

   Lenders to the Company have taken physical possession of the plant. You Company is working on honoring of the payments under the OTS with Banks Your Company is hopeful that Lenders, creditors and Authorities will take measured stand to safeguard interest of all stakeholders.

   Your Directors recommend the Resolution for your approval as a Special Resolution. Except Mrs. Visalakshi Sridhar, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested in this Special Resolution.

   A copy of the Agreement referred to in the Resolution as Item No. 4is available for inspection by the Members at the registered office of the Company between 11:00 a.m. to 1:00 p.m. on any working day except Saturdays and Sundays up-to the date of the Annual General Meeting.

**Item No. 5**

The existing Object Clauses in the Memorandum of Association ("MOA") of the Company were having three main objects and were numbered as 1, 2 and 3. Now the Company has decided to adopt/ insert few more new objects as the main objects which are not inter related to each other.

Your Company intends to take up new activity and diversify its present scope of operations and it is proposed to venture into new activities (as mentioned in resolution stated at item No. 5 of the Notice) which have good potential with respect to the future prospects of the Company.

The proposed alteration to the main objects of the memorandum of association shall enable the Company to expand its activities and venture into new areas of business. This will enable the Company to carry on business economically and advantageously combined with the present activities of the Company. The alteration of MOA requires the approval of the shareholders by means of a Special Resolution pursuant to Section 13 of the Act.

The Board of Directors in its meeting held on November 12, 2021 have accorded its approval for alteration of MOA.

Your Directors recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution.

Copy of the Memorandum and Articles of Association of the Company is available for inspection on the website of the Company.

By Order of the Board of Directors
For **Edayar Zinc Limited**

**Visalakshi Sridhar**
Managing Director CFO and
Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Place: Mumbai
Date : November 12, 2021

**A brief profile of Directors proposed to be appointed / reappointed**

| **Name of the Director** | **Mohamed Bismith Allingal** | **Abdul Salim Ali Kunju** | **Visalakshi Sridhar** |
|---|---|---|---|
| Date of Birth | 19.09.1969 | 29.05.1968 | 12.04.1966 |
| Qualification and Expertise in Specific Functional Areas | Civil Engineer Expertise Business Strategy | Bachelor's Degree in Instrumentation & Control Engineering from the University of Calicut, India (1989), | B.com, ACS, AICWA Finance Accounts, Taxation & Secretarial Compliance |
| Date of first appointment on the Board | 13.01.2020 | 26.03.2021 | 08.04.2019 |
| Shareholding in the Company | NIL | NIL | NIL |
| Relationship with other Directors or with KMP | None | None | None |
| Number of meetings attended during 2020-21 | 4 | NIL | 6 |
| Other Directorships | RBG Minerals Industries Limited<br>Seraphic Developers and Traders Pvt. Ltd.<br>Designated Partner of Green Panel Investment LLP. | Hawa Valves(India) Private Ltd.<br>Vilayil Ventures Pvt. Ltd.<br>Viensys India Pvt. Ltd.<br>Mina Ventures Pvt. Ltd.<br>Fortune Engineering and Energy Services Pvt. Ltd. | Remsons Industries Limited (Listed) Audit Committee Chairman Stakeholders Relationship Committee - Member |
| Membership/Chairmanship of Committees of other Boards | NIL | NIL | NIL |

# DIRECTORS' REPORT

**Dear Members,**

Your Directors present the Twenty First Annual Report along with Audited Financial Statements for the financial year ended 31st March, 2021.

**1. Financial Performance**

**( ₹ in Lacs)**

| Particulars | Year ended 31/03/2021 | Year ended 31/03/2020 |
|---|---|---|
| Total Revenue | 0.81 | 0.88 |
| Loss before Interest, Depreciation & Tax | (120.47) | (2,317.44) |
| Interest and finance charges | 0.03 | 0.01 |
| Provision for Depreciation | 5.92 | 344.35 |
| Loss before Tax &Exceptional Items | (126.42) | (2,661.80) |
| Exceptional Items | (523.89) | (1.05) |
| Provision for Tax | - | - |
| Loss after Tax | (650.31) | (2,662.85) |
| Other Comprehensive income | 0.00 | 0.00 |
| Balance carried forward | (650.31) | (2,662.85) |

(Figures have been rounded off )

**2. Review of Operations**

During Financial Year 2020-21 (FY 2021), the Company did not operate its plant. During FY 2021 ("the year under review"), total revenue was Rs. 0.81 lakhs (comprising of other income) as against Rs. 0.88 lakhs during corresponding previous FY 2020. The Company recorded negative EBIDTA of Rs. 120.47 lakhs in FY 2021 vis-à-vis negative EBITDA of Rs. 2317.44 lakhs in the previous year.

Lenders to the Company took physical possession of the assets for recovery of their dues on 23rd July, 2019 under Section 13(4) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act 2002). The Company has entered in to a One Time Settlement (OTS) with the Lenders and payments are being made under the sanctioned OTS. The payment under the settlement is being made out of the sale of plant and machinery as scrap and land. Your company is hopeful that Lenders, Creditors and Authorities will take a measured stand to safeguard interest of all stakeholders.

**3. Dividend**

In view of loss, no dividend is recommended.

**4. Deposits**

The Company has not accepted any deposits from the public within the meaning of Section 2(31) and Section 73 of the Companies Act 2013 and Rules framed thereunder. The Company however has filed the Return of Exempted Deposits in Form DPT-3 with the MCA.

**5. Reserves**

In view of absence of profit, no amount is proposed to be transferred to Reserves

**6. Share Capital**

The authorized and paid-up Equity Share Capital of the Company as on March 31, 2020 was Rs 7500 Lakhs and Rs.6761.81 lakhs respectively. During the year 2020-21 the Company increased the Authorised Capital from 7500 Lakhs to 10000 Lakhs .

**7. Particulars of Loans, Guarantees, Investments or Securities under section 186 of the Act.**

During the year under review, the Company has not given any Loan, made investments nor provided any fresh guarantee or securities under Section 186 of the Companies Act 2013.

It may be noted that there was unconditional and irrevocable Corporate Guarantee to IDBI Bank, Dubai in respect of loans availed by 3B Binani Glass Fibre (Wholly owned subsidiary of Binani Industries Limited) and 3B Fibreglass Norway AS (Step down subsidiary of Binani Industries Limited), jointly and severally with Binani Industries Limited (BIL), Binani Cement Limited (BCL) and Goa Glass Fibre Zinc Limited (GGFL) and to Exim Bank of India in respect of loans availed by Binani Industries Limited (Holding Company). The Company, Ultratech Nathdwara Cement Ltd (UNCL) earlier known as Binani Cement Limited has repaid to IDBI Bank Ltd and Exim Bank of India in response to the decision of National Company Law Appellate Tribunal, New Delhi [(Company Appeals (AT) (Insolvency) Nos 82, 123, 188, 216 & 234 of 2018. NCLAT Order dated 14th November 2018)]. In the year 2020-21, UNCL enforced the shares of 3B Binani Glass Fibre pledged by Binani Industries Limited as security and got the same transferred in their name.

**8. Contracts or Arrangements with Related Parties:**

All transactions entered into by the Company with Related parties were in the ordinary course of business and at Arm's length basis except that the Managing Director of the Company is associated with M/s Binani Industries Limited (holding company) and is drawing nil remuneration. The Audit Committee from time to time reviewed and approved the said transactions. Disclosures as required as per Ind AS-24 are made in notes to accounts. The Company has received the entire amounts due from the holding company and the holding company is supporting the company for meeting the operational requirements. Green Panel Investment LLP where the Company is holding 70% is assisting in the settlement of liabilities of the Company.

During the year 2020-21, the Company has not entered into any fresh material contracts with any of the related parties during the year under review. Form AOC-2 is attached as Annexure B which forms part of this Report.

**9. Consolidated Financial Statements**

In accordance with the provision of sub section (3) of Section 129 of the Companies Act 2013, the Consolidated Financial Statements of the Company including the financial details of the subsidiaries of the Company forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

**10. Subsidiary Company**

**R.B.G. Minerals Industries Limited**

Your Company has one subsidiary company viz., R.B.G. Minerals Industries Ltd (RBG).

RBG has not yet commenced its business operations. The transfer of Ambaji and Deri mines by the Gujarat and Rajasthan Government is still underway and the company continues to pay dead rent for the Basantgarh mines to M/s Rajasthan State Minerals and Mines Limited. As there has been considerable delay in transfer of the mines by RSMML and GMDC. There were no other material changes in the financial position of RBG during FY 2020-21.

In terms of the proviso to sub section (3) of section 129 of the Act, the salient features of the financial statement of subsidiary are provided in the prescribed form AOC-1, which forms part of the Annual Report.

The Company does not have any Associate Company within the meaning of Section 2(6) of the Act.

The financial statements in respect of RBG will be kept open for inspection by the Members as provided in the Notice of the 21st AGM of the Company. Members, interested in obtaining a copy of the audited annual financial statements of RBG may write to the Corporate Office of the Company, who shall provide a copy of the same upon receipt of such request.

Green Panel Investments LLP is inter alia supporting the Company in settlement of matters relating to the Company.

**11. Directors' Responsibility Statements**

Pursuant to the provisions of clause (c ) of sub section (3) and sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby state and confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the profit and loss of the Company for the Financial 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;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls and the same have been followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) 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.

**12. Corporate Social Responsibility**

The Braj Binani Group, through its operating Indian Subsidiaries, undertakes the activities on an on-going basis for upliftment of the weaker sections and welfare of the society.

The mandatory provisions of Section 135 of the Act, and Rules made thereunder, with respect to Corporate Social Responsibility, are not applicable to your Company. The Group is socially conscious about its participative role in development of society. The Group continues to undertake CSR activities in places where the plants of group companies are situated and the same are well appreciated by the local community.

**13. Board & Committees and their Meetings**

During the year under review, the Board of Directors met 6 times on 31st August, 2020, 17th November, 2020, 19th January, 2021, 3rd February, 2021, 19th February, 2021 and 26th March, 2021.

The Board has three Committees viz., Audit Committee (AC), Nomination and Remuneration Committee (NRC) and Stakeholders' Relationship Committee (SRC). The attendance of Directors in the Board and Committee meetings during FY 2020 - 21 is given below:

**a. Board Meetings**

| Name of the Director | Number of meetings attended |
|---|---|
| Mrs. Kirti Mishra | 3 |
| Mr. Pradeep Sharma | 4 |
| Mr. Gour Chandra Das | 2 |
| Mrs. Visalakshi Sridhar | 6 |
| Mr. Mohammed Bismith Allingal | 4 |
| Mr. Abdul Salim Ali Kunju (appointed w.e.f. 26.03.2021) | - |

**b. Audit Committee**

The Audit Committee has been constituted by the Board as per the provisions and terms of reference specified under Section 177 of the Companies Act 2013 and Rules made thereunder. The Audit Committee comprised of the following Members as on 31st March, 2021:

1. Mrs Kirti Mishra - Chairperson
2. Mr Pradeep Sharma - Member
3. Mr Gour Chandra Das - Member
4. Mrs. Visalakshi Sridhar - Member

The Audit Committee meetings are convened generally once a quarter and also as and when considered necessary. During the year under review, the Audit Committee met 4 times during the year under review on 31st August, 2020, 19th January, 2021, 3rd February, 2021 and 26th March, 2021. There were no recommendations made by the Audit Committee which were not accepted by the Board. The attendance of the members of the Audit Committee during the year 2020 - 21 is given below:

Attendance of Members at the meetings of the Audit Committee

| Name of the Member | Number of meetings attended |
|---|---|
| Mrs. Kirti Mishra | 2 |
| Mr. Pradeep Sharma | 3 |
| Mr. Gour Chandra Das | 2 |
| Mrs. Visalakshi Sridhar | 4 |

**c. Stakeholders Relationship Committee (SRC)**

The Stakeholders Relationship Committee has been constituted under the provisions of section 178 of the Companies Act. Presently the Committee comprises of Mrs Kirti Mishra as the Chairperson with Mrs Visalakshi Sridhar, Mr Pradeep Sharma and Mr Gour Chandra Das as members. During the year under review 1 meeting of the Committee have been held on 19th February, 2021. No application for issue of Duplicate shares was received and the normal transfers / transmission / replacement were approved by the Executive Committee whose minutes were approved by the Stakeholders Relationship Committee. The attendance of the members, at the meetings of the Committee is given below:

| Name of the Member | No. of Meetings attended |
|---|---|
| Mrs.Kirti Mishra | - |
| Mr.Pradeep Sharma | 1 |
| Mr.Gour Chandra Das | - |
| Mrs. Visalakshi Sridhar | 1 |

**d. Nomination & Remuneration Committee (NRC)**

The Nomination and Remuneration Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013 and Rules made thereunder. The terms of reference of the Committee inter alia include matters related to appointment of Directors/Key Managerial Personnel/ Senior Management Personnel and their remuneration, evaluation of the performance of the Directors, formulating criteria to determine the qualification, positive attribute and independence of a director, etc

The Committee presently comprises as Mrs Kirti Mishra as the Chairperson with Mr. Pradeep Sharma and Mr. Gour Chandra Das as Members.

There are no employees except the Managing Director who was appointed on NIL remuneration. During the year under review, the Committee met 2 times on 31st August, 2020 and 26th March, 2021. The attendance of the members of the Nomination and Remuneration Committee for the Financial Year 2020-21 is as given below:

| Name of the Member | No. of Meetings attended |
|---|---|
| Mrs. Kirti Mishra | 1 |
| Mr. Pradeep Sharma | 2 |
| Mr. Gour Chandra Das | 2 |

**14. Board Evaluation**

The annual evaluation of Directors, the Board and also the Committees was conducted without the participation of the Director being evaluated on the basis of certain criteria recommended by the Nomination and Remuneration Committee and adopted by the Board.

Pursuant to the provisions of the Companies Act, 2013 and LODR Regulations, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors. The Board have undergone a formal review which comprised Board effectiveness survey, 360 degree and review of materials. This resulted in a full Board effectiveness report and Directors' feedback. This is further supported by the Chairman's Annual Director Performance Review. The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the Corporate Governance Report.

**15. Directors & KMP**

**Independent Director**

Ms. Kirti Mishra, Mr. Pradeep Sharma and Mr. Gour Chandra Das are the Independent Directors of the Company.

Mrs. Kirti Mishra's term as Independent Director is expiring at the close of the Annual General Meeting to be held in the year 2022.

The meeting of Independent Directors was held on 31st August, 2020 as per the terms of requirement of Schedule IV of the Act.

Independent Directors have furnished Declaration of Independence stating that they meet the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 including any amendment thereof.

**Executive Director**

Mrs. Visalakshi Sridhar was appointed as Managing Director of the Company for a period of one year w.e.f. 9th April, 2021 till 9th April, 2022 for NIL remuneration, subject to approval of the members. The Board recommends her appointment as Managing Director at the ensuing AGM for the approval of the members.

Mr. Abdul Salim Ali Kunju was appointed as an Additional Director of the Company w.e.f. March 26, 2021 at the meeting of the Board held on that date. He holds office upto the date of this 21st Annual General Meeting. The Company has received a notice in writing from a member signifying his intention to propose his candidature as a Director of the Company. Moreover the Nomination and Remuneration Committee has also recommended his appointment.

The Board recommends the appointment of Mr. Abdul Salim Ali Kunju as a Director of the Company.

A brief profile of the directors proposed to be re-appointed at the AGM is provided in the Notice of the AGM which forms part of this Annual Report.

**Key Managerial Personnel:**

Mrs Visalakshi Sridhar, Managing Director is the only Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act 2013.

**Remuneration to Directors**

The Independent and Non-Executive Directors are paid sitting fees for attending the Board and Committee meetings. In the meeting held on 19th January, 2021 the Directors, considering the present situation have agreed for waiver of sitting fees.

Mrs. Visalakshi Sridhar did not receive any remuneration from the Company during the year under review as per the terms of her appointment.

**16. Nomination and Remuneration Policy**

Pursuant to Section 178(4) of the Act, the Board has adopted a Policy on nomination and remuneration of Directors and Key Managerial Personnel and Senior Managerial Personnel of the Company, as recommended by the Nomination and Remuneration Committee. The said Policy is enclosed as Annexure – C and forms part of this Report.

**17. Auditors**

M/s Udeshi Shukla & Associates, Chartered Accountants, Mumbai (Firm Registration Number – 114886W) were appointed at the AGM held in the year 2020 for a term of five years till the conclusion of the AGM to be held in the year 2025.

The Audit Committee at its meeting held on June 23, 2021 has reviewed the performance and independence of Statutory Auditors.

M/s Udeshi Shukla & Associates have submitted their declaration of independence along with a confirmation that they continue to be eligible in terms of Section 139 read with Section 141 of the Companies Act, 2013.

**18. Auditors' Observations**

The Auditors, in their report have made observations under the head "Key Audit Matters" with respect to

a) Note No. 29 of the financial statement stating that the investment in subsidiary company RBG Minerals Industries Limited (RBG) has been written off. RBG had entered into an agreement with Gujarat Mineral Development Corporation and Rajasthan States Mines and Minerals Limited in 2001 whereby the parties would transfer the Ambaji and Deri mines to the Company and the Company would take the Basantgarh mine on lease. The Company took the Basantgarh mine on lease and The viability was established on collective operation of the mines. The Company had purchased land for setting up of the beneficiation plant in Deri and had spent an amount of Rs. 482 lakhs which was shown in pre-operative expenses. Considering the delay the investment in the books of the Company has been provided for write off.

b) Note No. 44 and 46 of the financial statements stating that the consortium of banks have sanctioned one time settlement for Rs. 175 crores and as per OTS terms the mortgaged assets will be sold and the proceeds will be utilized for payment towards OTS. This event will lead to disposal of substantial assets of the company which may affect the going concern concept of the company. The zinc plant being a chemical plant was shut in 2014 and since there has been no operation, the assets got rusted and it was unviable to restart. The Bankers had also taken possession of the assets under Sarfesi and had auctioned the plant and machinery and Land. The sale of plant and machinery as scrap and land is being effected in terms of the OTS sanction.

c) Note No.45 of the financial statements stating that in the opinion of the management, there is no impairment in the value of the fixed assets to be recognized in the accounts at this stage, within the meaning of Indian Accounting Standard (Ind AS) 36– Impairment of Assets, notified by the Companies Accounting Standards Rules 2006, which is however dependent on various uncertainties over its ability to continue as a going concern, as stated therein. The Plant and Machinery and Fixed Assets of the Company are being sold on as is where is basis as per the terms of the sanctioned OTS.

d) We draw attention to the fact that the net worth of the company has been fully eroded and this indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

Your Company has arrived at a settlement with the secured Lenders and is already in the process of negotiating and arriving at an amicable settlement with all the other stake holders as well. The Company has already paid Rs.84.75 crore towards the One Time Settlement; and has also entered into an agreement for sale of plant and machinery as scrap and the bank has issued a certificate of sale for a part of the plant and machinery.

**19. Secretarial Auditors**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had engaged M/s Aabid & Co, Practising Company Secretary, Mumbai, to conduct the secretarial audit in the Company for the financial year 2020-21.

The Secretarial Audit Report (In Form MR-3) is attached as Annexure - D to this Report.

**20. Cost Auditors**

As the turnover of the Company is less than the threshold limit as per Section 148 of the Companies Act 2013 read alongwith the said rules, there was no requirement for appointment of Cost Auditor for the financial year 2020-21.

**21. Internal Financial Controls**

In view of the suspension of business operation and constraint of resources, the processes and procedures are curtailed to ensure minimal administrative expenses. The Company adopted policies and procedures to extent required to ensure safeguarding of its assets, prevention of frauds, completeness of accounting records and timely preparation of reliable financial information.

The internal financial controls are reviewed periodically and its weakness found, if any, is reported to Audit Committee from time to time.

**22. Risk Management**

The Holding Company had carried out a risk assessment exercise, which was facilitated by a well known firm of Consultants when certain risks were identified for the Company. A mitigation plan was also drawn up. The Audit Committee reviews risks from time to time and instructs the mitigation steps, if any, required to eliminate/minimise the risk/s on on-going basis. The Audit Committee has additional oversight in the areas of financial risks and controls.

As per section 138 and other applicable rules (including any statutory modification) of the Companies Act 2013 the Company has appointed M/s Ayaz Parekh & Associates Chartered Accountants as Internal Auditors of the Company for the financial year 2020-21.

Pursuant to Section 134(3)(n) of the Companies Act, 2013, Company has formulated Risk Management Policy. The Company has already sorted out the legal issues relating to sales tax, kwa etc. Edayar Zinc Limited will be able to make the balance payment under the one time settlement out of sale of assets. Apart from the above, at present the company has not identified any element of risk which may threaten the existence of the company.

**23. Vigil Mechanism**

The Board has adopted a Whistle Blower Policy which provides a platform to report unethical behaviour, actual or suspected fraud, concerns and grievances regarding violation of Code of Conduct of the Company.

The policy facilitates direct reporting of concerns to the Chairman of the Audit Committee. During the year, the Company did not receive any complaints.

**24. Policy against Sexual Harassment at workplace**

The Company has adopted a policy against Sexual Harassment and constituted Internal Compliant Committee in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

**25. Corporate Social Responsibility (CSR)**

The Braj Binani Group, through its operating Indian Subsidiaries, undertake the activities on an ongoing basis for upliftment of the weaker sections and welfare of the society.

Your Board has not constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section135 of the Companies Act, 2013 read with Rules made there under. Your Company is not obliged to spend any amount on CSR activities under the aforesaid provisions of the Act based on the criteria laid down therein.

**26. Other disclosures as per the provisions of the Companies Act, 2013**

- An extract of the annual return in Form MGT-9 as on 31st March, 2021, is enclosed as Annexure E and forms part of this Report.

- Since the operations at plant were shut during the year under review, the Company has nothing specific to report relating to conservation of energy, Technology Absorption.

- The details of Foreign Exchange Earnings and Outgo for the year 2020-21 are as below:

**(Rs. in lacs)**

| **Particulars** | **2020-21** | 2019-20 |
|---|---|---|
| Foreign exchange earned | Nil | Nil |
| Foreign Exchange outgo | Nil | Nil |

- In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company did not have any employee during the year under review who was in receipt of remuneration above the threshold limit specified therein and hence no details are required to be disclosed.

• The Company has entered into settlement with the workers vide Agreement dated 06/02/2018 read with amendment dated 16/03/2020 for a consolidated amount of Rs 2724.04 Lakhs. The payment under the settlement shall be on or before 120 days from the date of the Agreement and delay in payment shall attract 12% p.a. till the date of payment. The Company has received settlement agreement with Contract Labourers of the Company duly signed by the "District Labour Officer and District Conciliatory Officer" dated 11/04/2018 for an amount of Rs 2 crore; the payment for which falls due within 120 days from the date of the settlement agreement and delay in payment shall attract 7% p.a. till the date of payment. The Company has paid Rs.1093 lakhs to the workers and contract workers as of July 2021.

- The Company has entered into a settlement under the Sab Ka Vishwas Scheme and settled liabilities of value Rs. 66.25 Lakhs for Rs. 12.64 Lakhs.

• Managerial staff has been retrenched as on 31st July 2015. Retrenchment compensation has been provided in the books and an amount of Rs. 19.58 lakhs.

- The Company has not issued any equity shares with differential rights, sweat equity shares or granted any ESOP to its employees. Therefore, no disclosure is required to be given in respect thereof.

• The Company has approved fee of Rs. 0.50 Lakhs to the statutory auditors for statutory audit and tax audit and Rs. 0.35 Lakhs towards other matters.

• Issue of Equity shares with differential rights as to dividend, voting or otherwise.

• Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

• No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

• During the year under review, there have not been any instances of fraud and accordingly, the Statutory Auditors have not reported any frauds either to the Audit Committee or to the Board under Section 143(12) of the Act

• There has been no change in the business of the Company during the Financial Year ended March 31, 2021.

• Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year) from FY 2019-20 to FY 2020-21.

The Company has entered into an OTS with the Banks and has also settled liabilities with Sales Tax authorities, Kerala Water Tax, Service Tax and has also crystalized liabilities of workers/ employees / contract worker. As there are no operations and the payments are being made out of sale proceeds of assets, the ratios are not applicable.

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, bankers, financial institutions, customers, dealers, suppliers and Shareholders. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

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

**Mohd. Bismith Allingal**
Director
DIN : 08227170

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Place: Mumbai
Date : September 02, 2021

## ANNEXURE-A

**The information required under section 197 of the Companies Act 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014, a statement showing the name and other particulars of the top ten employees of the Company:**

The Company did not have any employee during the year under review who was in receipt of remuneration above the threshold limit specified therein and hence no details are required to be disclosed.

The Company has entered into settlement with the workers vide agreement dated February 06, 2018 read with addendum dated March 16, 2020 for a consolidated amount of 2724 lakhs (excluding interest). The payment under the settlement shall be paid in instalments. The Company has so far paid 5.75 Crores. In the unlikely event of the scrap dismantling and sale process being faced with any temporary disruption / delay not attributable to EZL management's actions for scrap sale, then the disbursement of installments shall resume only after resumption of the dismantling and sale process after resolving the issue. Any such delay in execution shall also lead to proportionate delay in payment disbursement.

The Company has received settlement agreement with Contract Labourers of the Company duly signed by the "District Labour Officer and District Conciliatory Officer" dated 11/04/2018 for an amount of Rs.2 crore (excluding interest).

Managerial staff has been retrenched as on 31st July, 2015, Retrenchment compensation has been provided and payment to the extent of Rs.16 Lakhs.

**ANNEXURE-B**

## 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)

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

**Details of contracts or arrangements or transactions not at arm's length basis:**

The details of the contracts or arrangements or transactions which were earlier on arms length but varied to suit business requirements is as follows:-

| Name(s) of the related party | **Binani Industries Ltd ("BIL")** | **Green Panel Investment LLP** |
|---|---|---|
| Nature of relationship | Holding Company | Edayar Zinc Limited holds 70% in Green Panel Investment LLP |
| Nature of contracts/ arrangements/ transactions | Mrs. Visalakshi Sridhar, Managing Director CFO & CS of Binani Industries Limited is appointed as Managing Director, CFO & CS into Edayar Zinc Ltd. ("EZL") Subsidiary Company (Additional Charge) | Facilitating the sale of the plant and machinery and utilization of the proceeds towards payment of liabilities as also of otherwise taking steps for facilitating fulfillment of the OTS and to do all other incidental acts |
| Duration of the contracts / arrangements /transactions | 8th April, 2019 till 8th April, 2021 renewed for the further period from 9th April, 2021 to 9th April, 2022 | ongoing |
| Salient terms of the contracts or arrangements or transactions including the value, if any | No payment / reimbursement of Remuneration. | On arm's length basis |
| Justification for Variation done in contract during the year | | Nil |
| Date(s) of approval by the Board | 8th April, 2019 and 26th March, 2021 | August 29, 2019 |
| Amount paid as advances, if any / Amount payable on account of reimbursement of expenses, if any | Nil | Outstanding as of March 31, 2021 Rs.1808 lakhs |
| Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | 27th December, 2019. For the term 9th April, 2021 till 8th April, 2022 considered in the Annual General Meeting being held in 2020-21 | 15th December, 2020 |

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

**Mohd. Bismith Allingal**
Director
DIN : 08227170

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Date : September 02, 2021
Place: Mumbai

Place: Mumbai
Date : September 02, 2021

**ANNEXURE-C**

## NOMINATION AND REMUNERATION POLICY OF Edayar ZINC LIMITED

**1. BACKGROUND**

The Board of Directors ("Board") of Edayar Zinc Limited ("the Company") had constituted the Nomination and Remuneration Committee (the Committee) in terms of the provisions of Section 178 of the Companies Act, 2013 (the Act). Pursuant to the said Section, the Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

**2. OBJECTIVES**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and Officials in the cadre of the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The Key Objectives of the Committee would be:

2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;

2.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board;

2.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel;

2.4 To determine remuneration commensurate with the Company's size and financial position and trends with respect to the adopted by the peers in the industry;

2.5 To formulate a Policy which will ensure long term sustainability and retention of talented managerial personnel.

2.6 To develop a succession plan for the Board and to regularly review thereof.

**3. DEFINITIONS**

3.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

3.2 Board means Board of Directors of the Company.

3.3 Directors mean Directors of the Company.

3.4 Key Managerial Personnel ("KMP")means

3.4.1 Chief Executive Officer or the Managing Director or the Manager or in their absence a Whole time Director;

3.4.2 Company Secretary;

3.4.3 Chief Financial Officer; and

3.4.4 Such other officer as may be prescribed under the Act.

3.5 Senior Management Personnel("SMP") means personnel of the Company who are members of Company's core management team . This would also include all members of management one level below the Executive Directors including all functional heads.

**4. ROLE OF COMMITTEE**

4.1 Terms of Reference

4.1.1.To identify persons who are competent to become Directors and who may be appointed as Key Managerial Personnel and Senior Management Personnel in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

4.1.2 To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board the policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

4.1.3 To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.

4.1.4 To formulate criteria for evaluation of Independent Directors and the Board;

4.1.5 To carry out evaluation of every director's performance.

4.1.6 To carry out any other function, as may be mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

**5. COMPOSITION AND FUNCTIONING OF THE COMMITTEE**

5.1 Composition

5.1.1 The Committee shall be comprised of a minimum of three Non-Executive Directors, majority of them being Independent Directors.

5.1.2 Any two members of the Committee shall constitute a quorum for the Committee meetings.

5.1.3 Term of the Committee shall be continued unless terminated by the Board of Directors

**5.2 Chairperson of the Committee**

5.2.1 Chairperson of the Committee shall be an Independent Director.

5.2.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.2.3 In the absence of the Chairperson, the Members of the Committee present at the meeting, shall choose one amongst them to act as Chairperson.

**5.3 Frequency of Meetings:**

5.3.1 The meeting of the Committee shall be held at such regular intervals, as may be considered necessary.

5.3.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**5.4 Secretary**

The Company secretary of the Company shall act as Secretary of the Committee.

**5.5 Voting**

5.5.1 Matters arising at Committee meetings, shall be decided by a majority of votes of Members present and any such decision shall for all purposes be deemed a decision of the Committee.

5.5.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

5.6 Interested Committee Member not to participate in the meeting. A Member of the Committee is not entitled to be present when his/her remuneration is discussed at such meeting or when his/her performance is being evaluated.

**6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL.**

**6.1 Appointment criteria and qualifications**

6.1.1. The Committee shall identity and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

6.1.2 A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

6.1.3 The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

6.1.4 Appointment of Independent Directors shall be subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder

**6.2 Term /Tenure**

6.2.1. Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

6.2.2 Independent Director- An Independent Director shall hold officer for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the Company passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report to the Shareholders.- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**6.3 Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and SMP on yearly basis or at such frequent intervals, as its Members may decide.

**6.4 Removal**

In case any Director or KMP incurs any disqualification as provided under the Actor Rules made thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of such Director or KMP subject however, to the provisions and compliance of the said Act, rules and regulations.

**6.5 Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. As per the current Policy, a KMP or SMP (excluding the Directors) shall be liable to retire upon completion of 60 years of age. The Board if it considers to be in the Company's interest, shall have the discretion to retain KMP and SMP in the same position / remuneration or otherwise even after attaining the retirement age.

6.6 Policy relating to the Remuneration for the Managing Directors, Whole-time Director, KMP and SMP.

6.7 Remuneration to the KMP and SMP:

6.7.1. Fixed pay: The KMPs and SMPs shall be eligible for a monthly remuneration, as may be approved by the Board on the recommendation of the Committee. The remuneration shall include salary, allowances, perquisites and Company's contribution to Provident Fund, as the case may be, in accordance with Company's Policy as amended from time to time and approved by the Shareholders and Central Government, wherever required.

6.7.2 Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration as determined above, to its Managing Director/ Whole-time Director subject to the approval of the Central Government, wherever necessary.

6.7.3 Provisions for excess remuneration: If any Managing / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold the same in trust for the Company.

**6.8 Remuneration to Non-Executive/ Independent Director.**

6.8.1 Remuneration: Non-Executive / Independent Directors shall not be entitled to any remuneration.

6.8.2 Sitting Fees: The Non-Executive / Independent Directors will be paid Sitting Fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**6.9 General**

6.9.1 The remuneration to the KMPs and SMPs will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the approval of the Shareholders of the Company and Central Government, wherever required.

6.9.2 Upon evaluation of the performance, Annual Increments in the remuneration may be recommended by the Committee to the Board which shall be within the limits approved by the Shareholders, wherever applicable.

6.9.3 Where any insurance is taken by the Company for its Directors, KMPs and SMPs for protecting them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to such persons. Provided that if such person is provided to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**ANNEXURE - D**

## FORM NO. MR-3
## SECRETARIAL AUDIT REPORT
### FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**Edayar Zinc Limited**
(Formerly known as Binani Zinc Limited)
37/2, Chinar Park, New Town, Rajarhat
Main Road P.O., Hatiara Kolkata, West Bengal.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Edayar Zinc Limited** (CIN: U27204WB2000PLC091214) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verifications of the 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 31st March, 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, and Minute Books, Forms and Returns filed and other records maintained by the Company as given in ANNEXURE- I for the Financial Year ended on 31st March, 2021accordingto 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) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder is not applicable 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;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) 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;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other Laws applicable specifically to the Company is Annexed with this Report as **ANNEXURE- II.**

The Company is not listed on any Stock Exchange in India hence only clause (i), (iii), and (vi) are applicable to the Company.

We have also examined Compliance with the applicable clauses of the following:

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

(ii) The Company is not listed on any Stock Exchange in India hence compliance related to Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations, 2015 is not applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director. 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 notices are given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the following specific events were held:

1. During the period under review,

   a. the consortium of Banks led by Punjab National Bank have sanctioned a One Time settlement during 2019-20 / 2020-21 (PNB vide sanction letter dated 29.08.2019, Oriental bank of Commerce vide their letter dated 07.10.2019 and Punjab and Sind Bank vide their letter dated 23.09.2019) read with sanction letters dated 13th January, 2021 from PNB and 9th March, 2021 from PSB for Rs. 175 crore.

   b. Lenders to the Company took physical possession of the assets for recovery of their dues on 23rd July, 2019 under Section 13(4) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act 2002). The payment under the settlement is being made out of the sale of plant and machinery as scrap and land.

   c. During the year 2020-21, an amount of Rs. 6515 lakhs (previous year Rs. 4299 lakhs) has been repaid towards the One Time Settlement.

   d. The Debt recovery Tribunal has vide order dated February 13, 2020 permitted the sale of assets mortgaged either by the Banks or by the Company with the permission of the Banks under the provisions of the SARFAESI Act and the Banks shall issue a Certificate of sale thereof. Further the Banks have been permitted appropriation of the sale proceeds of the said secured assets on a first priority in terms of section 26E of the SARFAESI Act and the notification dated December 24, 2019 issued in respect thereof by the Ministry of Finance (Department of Financial Services) where the debts of the banks are to be paid on a priority to all other debts, all revenues, taxes, cesses and other rates payable to the Central Government/ State Government /local authority.

2. The Company has received an amount of Rs.435.45 lakhs from Binani Industries Limited the holding Company which has been utilized for maintenance of the plant and legal expenses. The Company also owes Rs. 1808.29 lakhs to Green Panel Investment LLP (an LLP with 70% ownership of EZL) who has paid monies on behalf of the Company towards expenses/ settlement of liabilities.

3. During the financial year 2020-21, the Company has increased its Authorised Share Capital from Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) to Rs. 100,00,00,000/- (Rupees One Hundred Crore only).

4. Mr. Mohd. Bismith Allingal was appointed as Director of the Company in the Annual General Meeting held on 15th December, 2020.

5. Mrs. Kirti Mishra was re-appointed as an Independent Director of the Company in the Annual General Meeting held on 15th December, 2020.

6. Mr. Abdul Salim Ali Kunju was appointed as an Additional Director of the Company w.e.f. 26th March, 2021.

7. Mrs. Visalakshi Sridhar was re-appointed as a Managing Director of the Company w.e.f. 9th April, 2021.

Note:

1. Due to impact of Covid-19 no physical verification of documents could be made, however we have been provided required documents and details on email.

2. This report is to be read with our letter of even date which is annexed as 'Annexure-III' and forms an integral part of this report.

For **Aabid & Co.**
Company Secretaries

**CS Shweta Dinesh Sharma**
Partner
Membership No.: 23466
COP No.: 22002
UDIN: A023466B000676118

Date: September 02, 2021
Place: Mumbai

## ANNEXURE - I

**List of documents verified**

1. Memorandum & Articles of Association of the Company
2. Annual Report for the Financial Year ended 31st March, 2021.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration committee, held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Declarations received from the Directors of the Company pursuant to the provisions of Section 164 (2) and 184 (1) of Companies Act, 2013.
6. E-forms filed by the company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
7. Statutory Registers viz.
   - Register of Directors Key Managerial Personnel (KMP) and their Shareholding
   - Register of Members
   - Register of Charges

## ANNEXURE - II

**LIST OF OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY**

1. The Maternity Benefit Act, 1961.
2. The Payment of Gratuity Act, 1972.
3. The Employee's State Insurance Act, 1948.
4. Employee's Compensation Act, 1923.
5. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. The Employees Provident Funds and Miscellaneous Provisions Act, 1952.
7. The Professional Tax Act, 1975.
8. Mines Act, 1952.
9. Mines and Minerals (Development and Regulation) Act 1957.
10. Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976.
11. Explosives Act, 1884.
12. Legal Metrology Act, 2009.
13. The Environment (Protection)Act, 1986.
14. Water (Prevention and Control of Pollution) Act, 1974.
15. Air (Prevention and Control of Pollution) Act, 1981.
16. Hazardous Waste (Management Handling & Transboundary Movement) Rules, 2008.
17. Income Tax Act, 1961.
18. Goods & Service Taxes for the respective States where hotels are located.
19. The Bombay Shops and Establishment Act, 1948.
20. Relevant provisions of the Service Tax and Rules and Regulations thereunder.

## ANNEXURE - III

To,
The Members,
**Edayar Zinc Limited,**
(Formerly Known as Binani Zinc Limited)

Our report of even date is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on a 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.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance laws, rules and regulations, and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. 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.

For **Aabid & Co.**
Company Secretaries

**CS Shweta Dinesh Sharma**
Partner
Membership No.: 23466
COP No.: 22002
UDIN: A023466B000676118

Date: September 02, 2021
Place: Mumbai

**ANNEXURE - E**

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31st March, 2021**

(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

## I REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i) | CIN | U27204WB2000PLC091214 |
| ii) | Registration Date | 25/02/2000 |
| iii) | Name of the Company | **Edayar Zinc Limited** |
| iv) | Category/Sub-Category of the Company | Public Company/limited by shares |
| v) | Address of the Registered office and contact details | 37/2. Chinar Park, New Town, Rajarhat, Main Road, P.O. Hatiara, West Bengal - 700157<br>Tel : 08100326795<br>Fax : +91- 33 4008 8802 |
| vi) | Whether Listed Company | No |
| vii) | Name, Address and Contact details of Registrar and Transfer Agents, if any | Link Intime India Pvt. Ltd<br>L.B.S. Marg, Vikhroli (West),Mumbai – 400 083<br>Tel: +91 22 49186270 Fax: +91 22 49186060<br>email: rnt.helpdesk@linkintime.co.in |

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Zinc and its alloys | 24203 | - |

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Binani Industries Limited<br>37/2. Chinar Park, New Town, Rajarhat, Main Road, P.O. Hatiara, West Bengal - 700157 | L24117WB1962PLC025584 | Holding Company | 89.90 | 2(46) |
| 2 | R.B.G. Minerals Industries Limited<br>22, Shubham Enclave, Parivahan Marg, C-Scheme, Jaipur - 302001 | U27101RJ1997PLC014021 | Subsidiary | 100 | 2(87) |

## IV SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders | Shareholding at the beginning of the year - 2020 | | | | Shareholding at the end of the year - 2021 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | Percentage of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(A) Shareholding of Promoter and Promoter Group** | | | | | | | | | |
| **[1] Indian** | | | | | | | | | |
| (a) Individuals / Hindu Undivided Family | - | - | - | - | - | - | - | - | - |
| (b) Central Government / State Government(s) | - | - | - | - | - | - | - | - | - |
| (c) Financial Institutions / Banks | - | - | - | - | - | - | - | - | - |
| (d) Any Other (Specify) | | | - | - | | | - | - | - |
| Bodies Corporate | - | 6,07,88,138 | 6,07,88,138 | 89.90% | - | 6,07,88,138 | 6,07,88,138 | 89.90% | - |
| **Sub Total (A)(1)** | **-** | **6,07,88,138** | **6,07,88,138** | **89.90%** | **-** | **6,07,88,138** | **6,07,88,138** | **89.90%** | **-** |
| **[2] Foreign** | | | | | | | | | |
| (a) Individuals (Non-Resident Individuals / Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| (b) Government | - | - | - | - | - | - | - | - | - |
| (c) Institutions | - | - | - | - | - | - | - | - | - |
| (d) Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - |
| (e) Any Other (Specify) | | | - | - | | | - | - | - |
| **Sub Total (A)(2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)** | **-** | **6,07,88,138** | **6,07,88,138** | **89.90%** | **-** | **6,07,88,138** | **6,07,88,138** | **89.90%** | **-** |
| **(B) Public Shareholding** | | | | | | | | | |
| [1] Institutions | | - | - | - | - | - | - | - | - |
| (a) Mutual Funds / UTI | 46 | 103 | 149 | 0.0002 | 46 | 103 | 149 | 0.0002 | - |
| (b) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (c) Alternate Investment Funds | - | - | - | - | - | - | - | - | - |
| (d) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| (e) Foreign Portfolio Investor | 1793 | 0 | 1793 | 0.0027 | 1793 | 0 | 1793 | 0.0027 | - |
| (f) Financial Institutions / Banks | 649502 | 5119 | 654621 | 0.98 | 406744 | 5119 | 411863 | 0.6091 | -0.3658 |
| (g) Insurance Companies | - | - | - | - | 247373 | - | 247373 | 0.3658 | 0.3658 |

| Category of Shareholders | Shareholding at the beginning of the year - 2020 | | | | Shareholding at the end of the year - 2021 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (h) Provident Funds/ Pension Funds | - | - | - | - | - | - | - | - | - |
| (I Any Other (Specify) | - | - | - | - | - | - | - | - | - |
| Foreign Financial Institution | - | 1042 | 1042 | 0.0015 | - | 1042 | 1042 | 0.0015 | - |
| **Sub Total (B)(1)** | **651341.00** | **6264.00** | **657605.00** | **0.00** | **655956.00** | **6264.00** | **662220.00** | **0.98** | **0.00** |
| [2] Central Government/ State Government(s)/ President of India | - | - | - | - | - | - | - | - | - |
| Central Government / State Government(s) | - | 20 | 20 | - | - | 20 | 20 | - | - |
| **Sub Total (B)(2)** | **-** | **20** | **20** | **-** | **-** | **20** | **20** | **-** | **-** |
| [3] Non-Institutions | - | - | - | - | - | - | - | - | - |
| (a) Individuals | - | - | - | - | - | - | - | - | - |
| (i) individual shareholders holding nominal share capital upto `1 lakh. | 611557 | 1359108 | 1970665 | 2.91 | 960396 | 1345516 | 2305912 | 3.4102 | 0.0047 |
| (ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh | 25211 | 407321 | 432532 | 0.64 | 25211 | 32490 | 57701 | 0.0853 | |
| (b) NBFCs registered with RBI | 92 | - | 92 | - | 92 | - | 92 | - | - |
| (c) Employee Trusts | - | - | - | - | - | - | - | - | - |
| (d) Overseas Depositories (holding Drs) (balancing figure) | - | - | - | - | - | - | - | - | - |
| (e) Any Other (Specify) | - | | | - | | | - | - | - |
| Trusts | 23 | 34 | 57 | - | 69 | 34 | 103 | 0.0002 | - |
| Foreign Nationals | - | 1163 | 1163 | - | - | 1163 | 1163 | - | - |
| Hindu Undivided Family | 14310 | 12815 | 27125 | 0.04 | 20262 | 12815 | 33077 | 0.05 | -0.01 |
| Non Resident Indians (Non Repat) | 11131 | 303790 | 314921 | 0.47 | 13801 | 303790 | 317591 | 0.47 | - |
| Non Resident Indians (Repat) | 16835 | 168013 | 184848 | 0.27 | 22933 | 167476 | 190409 | 0.28 | -0.01 |
| Office Bearers | - | 2103 | 2103 | - | - | 2103 | 2103 | - | - |
| Overseas Bodies Corporates | 576 | 2006 | 2582 | - | 576 | 2006 | 2582 | - | - |
| Clearing Member | 222 | - | 222 | - | 738 | - | 738 | - | -0.03 |
| Bodies Corporate | 25204 | 3210828 | 3236032 | `4.79 | 45474 | 3210759 | 3256233 | 4.82 | -0.03 |
| **Sub Total (B)(3)** | | | | | | | | | |

| Category of Shareholders | Shareholding at the beginning of the year - 2020 | | | | Shareholding at the end of the year - 2021 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **Total Public Shareholding(B)= (B)(1)+(B)(2)+(B)(3)** | - | - | - | - | - | - | - | - | - |
| **Total (A)+(B)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| (C) Non Promoter - Non Public | | | - | - | | | - | | |
| [1] Custodian/DR Holder | - | - | - | - | - | - | - | - | - |
| [2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - |
| **Total (A)+(B)+(c)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**ii) Shareholding of Promoters**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 2020 | | | Shareholding at the end of the year - 2021 | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | NO.OF SHARES HELD | % of total Shares of the company | %of Shares Pledged/ encumbered to | NO.OF SHARES HELD | % of total Shares of the company | %of Shares Pledged/ encumbered to | |
| 1 | BINANI INDUSTRIES LIMITED | 60788138 | 89.90% | - | 60788138 | 89.90 | - | - |

**iii) Change in Promoters Shareholding**

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | BINANI INDUSTRIES LIMITED | 60788138 | 89.90 | | | 60788138 | 89.90 |
| | AT THE END OF THE YEAR | 60788138 | 89.90 | | | 60788138 | 89.90 |

**Note:** 1. Paid up Share Capital of the Company (Face Value ` 10.00) at the end of the year is 67618082 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

iv) **Shareholding pattern of top ten shareholders (other then Directors, promoters and Holder's of GDR's and ADR's)**

| Sr No. | | Shareholding at the beginning of the year - 2020 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2021 | |
|---|---|---|---|---|---|---|---|
| | Name & Type of Transaction | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | TRITON TRADING CO PVT LTD | 2952490 | 4.3708 | | | 2952490 | 4.3708 |
| | AT THE END OF THE YEAR | | | | | 2952490 | 4.3708 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 366794 | 0.5424 | | | 366794 | 0.5424 |
| | AT THE END OF THE YEAR | | | | | 366794 | 0.5424 |
| 3 | KALPANA BINANI | 272791 | 0.4034 | | | 272791 | 0.4034 |
| | AT THE END OF THE YEAR | | | | | 272791 | 0.4034 |
| 4 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 247373 | 0.3658 | | | 247373 | 0.3658 |
| | AT THE END OF THE YEAR | | | | | 247373 | 0.3658 |
| 5 | MIRACLE SECURITIES PRIVATE LIMITED | 101538 | 0.1502 | | | 101538 | 0.1502 |
| | AT THE END OF THE YEAR | | | | | 101538 | 0.1502 |
| 6 | TRITON TRADING COMPANY PRIVATE LIMITED | 70077 | 0.1036 | No Change | | 70077 | 0.1036 |
| | AT THE END OF THE YEAR | | | | | 70077 | 0.1036 |
| 7 | SUSHIL BHATTER | 32490 | 0.0480 | | | 32490 | 0.0480 |
| | AT THE END OF THE YEAR | | | | | 32490 | 0.0480 |
| 8 | SAJJID A KHAN | 25211 | 0.0373 | | | 25211 | 0.0373 |
| | AT THE END OF THE YEAR | | | | | 25211 | 0.0373 |
| 9 | LOK PRAKASHAN LTD | 25136 | 0.0372 | | | 25136 | 0.0372 |
| | AT THE END OF THE YEAR | | | | | 25136 | 0.0372 |
| 10 | PUNJAB NATIONAL BANK | 23076 | 0.0341 | | | 23076 | 0.0341 |
| | AT THE END OF THE YEAR | | | | | 23076 | 0.0341 |

v) **Shareholding of Directors and Key Managerial Personnel:**

**None of the Directors and Key Managerial Personnel are not holding any shares in the Company.**

**V INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 19,842.44 | 461.94 | - | 19,842.44 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total(i+ii+iii)** | **19842.44** | **461.94** | **-** | **20,304.38** |
| **Change in Indebtedness during the financial year** | | | | |
| - Addition | - | 1781.81 | - | 1781.81 |
| - Reduction | 2216.35 | - | | 2216.35 |
| -Adjustment | | - | | - |
| **Net Change** | **2216.35** | **1781.81** | **-** | **(434.54)** |
| **Indebtedness at the end of the financial year** | | | | |
| I Principal Amount | 17626.09 | 2243.75 | - | 19869.84 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **17626.09** | **2243.75** | **-** | **19869.84** |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager :**

| Sl. no. | Particulars of Remuneration | Name of Managing Director | Total Amount (₹) |
|---|---|---|---|
| 1 | | Visalakshi Sridhar* | |
| | Gross salary | Nil | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission<br>- as % of profit<br>- others, specify... | | |
| 5 | Others, please specify | | |
| | Total (A) | | |
| | Ceiling as per the Act | NA | NA |

*Appointed w.e.f. 8th April, 2019. Appointment has been renewed w.e.f. 9th April, 2021 in the Board Meeting dated 26th March, 2021

**B. Remuneration to other Directors:** **(Amount in ₹)**

| Sl. no. | Particulars of Remuneration | Name of Directors | | | Total |
|---|---|---|---|---|---|
| 1 | Independent Directors | **Mrs. Kirti Mishra** | **Mr. Gour Chandra Das** | **Mr. Pradep Sharma** | |
| | Fee for attending board/committee meetings | 35,000 | 25,000 | 25,000 | 85,000 |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | 35,000 | 25,000 | 25,000 | 85,000 |
| 2 | Total Managerial Remuneration | | | | |
| 3 | Overall Ceiling as per the Act | | | | |

* As per provisions of the Act, the managerial remuneration does not include the sitting fees paid to Directors for attending meetings

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

| Sl. no. | Particulars of Remuneration | Visalakshi Sridhar CFO and CS | Total |
|---|---|---|---|
| 1 | Gross salary | Nil | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2 | Stock Option | | |
| 3 | Sweat Equity | | |
| 4 | Commission | | |
| | as % of profit | | |
| | others, specify | | |
| 5 | Others, please specify | | |
| | **Total** | | |

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | | | |
| Punishment | **NIL** | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | | | |
| Punishment | **NIL** | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | **NIL** | | | | |
| Compounding | | | | | |

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

Place: Mumbai
Date : September 02, 2021

**Mohd. Bismith Allingal**
Director
DIN : 08227170

**Visalakshi Sridhar**
Managing Director, CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

## INDEPENDENT AUDITOR'S REPORT

**To**
**The Members of Edayar Zinc Limited**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Edayar Zinc Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of cash flows & the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 subject to Note No 45 give the information required by the Companies Act, 2013 ('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,("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2021, the 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 specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

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

Reporting of Key Audit Matters as per SA 701, Key Audit Matters are not applicable to the company as it is an unlisted company.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the Financial Statements:

a) Note No 29 of the financial statements stating that the investment in subsidiary company R.B.G Minerals Industries Ltd has been written off.

b) Note No. 44 & 46 of the financial statements stating that the consortium of banks have sanctioned one time settlement for Rs 175 crores and as per OTS terms the mortgaged assets will be sold and the proceeds will be utilized for payment towards OTS. This event will lead to disposal of substantial assets of the company which may affect the going concern concept of the company.

c) Note No.45 of the financial statements stating that in the opinion of the management, there is no impairment in the value of the fixed assets to be recognized in the accounts at this stage, within the meaning of Indian Accounting Standard (Ind AS) 36– Impairment of Assets, notified by the Companies Accounting Standards Rules 2006, which is however dependent on various uncertainties over its ability to continue as a going concern, as stated therein.

d) We draw attention to the fact that the net worth of the company has been fully eroded and this indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

**Our report is qualified in respect of these matters.**

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements or our knowledge obtained during the course of our 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 standalone financial statements**

The Company's board of directors are 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 state of affairs (financial position), profit or loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

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

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

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

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

(c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) We have been informed that the company has discontinued its operations since 2014 and in absence of any activity and manpower; no internal financial control policies have been separately framed. In absence of any such defined policies we cannot comment on the effectiveness of the internal financial control.

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

  (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No 40.1, 40.2, 43 and 45 in the standalone Ind AS Financial Statements.

  (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

  (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund and therefore the question of delay in transferring such sums does not arise.

For **Udeshi Shukla & Associates**
Chartered Accountants
FRN: 114886W

**CA. Paresh Vijaysinh Udeshi**
Partner
MRN: 042082
Mumbai – June 23, 2021
UDIN: 21042082AAAADJ2366

**Annexure A to the Auditor's Report**

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

   (b) In the absence of any physical verification report of fixed assets we are not in position to comment on the frequency of verification of fixed assets.

   (c) According the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of all immovable properties except for freehold land of Rs 41.42 lakhs are held in the name of the company.

2. In the absence of any physical verification report of Inventory we are not in position to comment on reasonableness of the frequency of verification and the discrepancies noticed on physical verification of inventory as compared to book records.

3. (a) According to the information and explanations given to us and the records of the company examined by us, the company had placed inter-corporate deposits with its holding company, Binani Industries Limited. However it has not granted any loans during the year, to the parties covered in the register maintained under Section 189 of the Companies Act, 2013 except for the advance given to subsidiary company. The Inter-corporate deposit has been paid off and there no outstanding receivables.

4. According to the information and explanations given to us and based on the legal opinion obtained by the company, we are of the opinion that the Company has complied with the provisions specified under section 185 and section 186 of the Act with respect to the loans and guarantee given by the company. No security has been given by the company. The company has not made any investment during the year.

5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.

6. The maintenance of cost records has been prescribed by the Central Government under Section 2(13) read with section 148 of the Act. We have been informed that as the plant has not operated during the year and as there is no production, the maintenance of cost records under section 148 of the Act may not be necessary.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company, except for statutory dues payable for workers as per the settlement with the workers vide Agreement dated 06/02/2018 and Addenum dated 16/03/2020 as mentioned in Note No. 24(a) in the standalone Ind AS Financial Statements, has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, and other statutory dues as applicable to the Company with the appropriate authorities during the year.

   There are no arrears of undisputed statutory dues outstanding at the last day of the financial year for a period of more than six months from the date on which they became payable except for import duties amounting to Rs. 2,944.68 lakhs which is not paid pending the final assessment thereof.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the following disputed amounts of tax demanded (including those related to the erstwhile Zinc Division of the holding company Binani Industries Limited) have not been deposited with the authorities as at 31st March, 2021 as per the details given below.

| Name of the Statute | Nature of Dues | Amount (₹ in lakhs) | Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty including penalty (Service tax credit on carriage outwards) | 90.88 | 2007-08 | Customs, Excise and Service Tax, Appellate Tribunal, Bangalore |
| | Custom Duty | 77.32 | Appeal No. C/22692/2014 | Customs, Excise and Service Tax, Appellate Tribunal, Cochin |
| | Custom Duty | 155.8 | Appeal No. C/22693/2014 | Customs, Excise and Service Tax, Appellate Tribunal, Cochin |
| | Custom Duty | 0.91 | Appeal No. C/22694/2014 | Customs, Excise and Service Tax, Appellate Tribunal, Cochin |
| Indian Customs Act, 1962 | Customs duty (Concessional Duty) | 78.4 | 1984-85* | Asst. Commissioner of Customs, Kochi |
| | Custom Duty (Item Classification) | 2.11 | Various | Customs, Excise & Service Tax Appellate Tribunal, Chennai |

| Name of the Statute | Nature of Dues | Amount (₹ in lakhs) | Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| | Custom Duty (Item Classification) | 11.09 | 1993-94* | Customs, Excise & Service Tax Appellate Tribunal, Chennai |

* Relates to the erstwhile Zinc Division of Binani Industries Limited.

8. According to the information and explanations given to us and the records of the Company examined by us, the Company has defaulted in repayment of dues to banks, particulars of which are as follows:

| Name of bank | Nature of Instrument | Period of default (in Days) | Amount of Default (₹ in lakhs) |
|---|---|---|---|
| Punjab National Bank | Letter of credit | 2569 | 4,141.12 |
| Oriental Bank of Commerce | Letter of credit | 2568 | 4,881.83 |
| Punjab National Bank | Letter of credit | 2494 | 4,581.98 |
| Oriental Bank of Commerce | Letter of credit | 2427 | 5,401.33 |
| Punjab National Bank | Letter of credit | 2298 | 4,645.19 |
| Punjab National Bank | Bank Guarantee Invoked | 2002 | 115.82 |
| Punjab National Bank | Bank Guarantee Invoked | 2002 | 16.10 |
| Punjab National Bank | Bank Guarantee Invoked | 2002 | 13.63 |
| Oriental Bank of Commerce | Bank Guarantee Invoked | 2002 | 157.13 |
| Oriental Bank of Commerce | Bank Guarantee Invoked | 1853 | 20.30 |
| Oriental Bank of Commerce | Bank Guarantee Invoked | 1853 | 30.30 |

Note: LC devolved and bank guarantees invoked have been included in the Cash Credit balance.

9. According to the information and explanations given to us and based on the records of the company examined by us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Also no term loan has been obtained by the company during the year.

10. Based upon the audit procedures performed and as per information and explanations given to us, to the best of our knowledge no fraud on or by the Company has been noticed or reported during the course of our audit.

11. According to information and explanations given to us, no managerial remuneration has been paid during the year and hence, clause (xi) of paragraph 3 of the said order is not applicable to the company.

12. In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi company; accordingly clause (xii) of paragraph 3 of the said order is not applicable to the company.

13. According to the information and explanations given to us and based on the records of the company examined by us, all the transactions with the related parties entered into by the Company, are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable. The details of the same have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. According to the information and explanations given to us and based on the records of the company examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Udeshi Shukla & Associates**
Chartered Accountants
FRN 11886W

**CA Paresh Vijaysinh Udeshi**
Partner
MRN 042082
Mumbai –June 23, 2021
UDIN: 21042082AAAADJ2366

## BALANCE SHEET AS AT 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| PARTICULARS | Note No. | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Property, Plant and Equipment | 4 | **343.85** | 5,064.55 |
| Capital Work-in-Progress | 4 | **2,752.27** | 2,752.27 |
| Other Intangible assets | 5 | **-** | - |
| Financial Assets | | | |
| (i) Investments | 6 | **18.20** | 523.59 |
| Tax Assets | 7 | **17.36** | 17.36 |
| **Other Non Current Assets** | 8 | **244.42** | 244.42 |
| **Total Non Current Assets** | | **3,376.10** | 8,602.19 |
| Current assets | | | |
| Inventories | 9 | **2,636.06** | 2,636.06 |
| Financial Assets | | | |
| (i) Cash and cash equivalents | 10 | **5.29** | 5.29 |
| (ii) Bank Balance other than cash and cash equivalents | 10.1 | **4.41** | 4.41 |
| (iii) Trade Receivables | 11 | **1,508.17** | 0.00 |
| (iv) Loans | 12 | **0.00** | 18.50 |
| (v) Other Financial Assets | 13 | **1,374.08** | 1,360.27 |
| Other Current Assets | 14 | **2,211.00** | 2,272.25 |
| **Total Current Assets** | | **7,739.01** | 6,296.79 |
| **Assets Held for Sale** | | **2,471.41** | **0.00** |
| **Total Assets** | | **13,586.53** | **14,898.98** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | 15 | **6,761.81** | 6,761.81 |
| Other Equity | 16 | **(22,437.44)** | (21,787.13) |
| **Total Equity** | | **(15,675.63)** | **(15,025.32)** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| **Financial Liabilities** | | | |
| (i) Borrowings | 17 | **19,869.84** | 20,304.38 |
| (ii) Trade payables | 18 | **156.77** | 156.77 |
| (iii) Other Financial Liabilities | 19 | **3,746.51** | 4,320.81 |
| Other current liabilities | 20 | **2,316.04** | 924.01 |
| Provisions | 21 | **3,173.00** | 4,218.33 |
| **Total Liabilities** | | **29,262.16** | **29,924.30** |
| **Total Equity and Liabilities** | | **13,586.53** | **14,898.98** |
| **Summary of Significant Accounting Policies** | **2 & 3** | | |
| **The accompanying notes are an integral part of the financial statements.** | | | |

As per our report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : 23.06.2021

**Visalakshi Sridhar**
MD, CFO & CS
DIN - 07325198
Membership No. ICSI A13849
AICWA - M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : 23.06.2021

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| PARTICULARS | Note No. | 31st March 2021 | 31st March, 2020 |
|---|---|---|---|
| Revenue From Operations | 22 | **-** | - |
| Other Income | 23 | **0.81** | 0.88 |
| **Total Income** | | **0.81** | 0.88 |
| **EXPENSES** | | | |
| Changes in inventories | 24 | **-** | - |
| Employee benefits expense | 25 | **-** | - |
| Finance costs | 26 | **0.03** | 0.01 |
| Depreciation and amortization expense | 27 | **5.92** | 344.35 |
| General, administration and other expenses | 28 | **121.28** | 2,318.32 |
| **Total expenses** | | **127.23** | 2662.68 |
| **Profit/(Loss) before exceptional items and tax** | | **(126.42)** | (2661.80) |
| Exceptional Items | 29 | **523.89** | 1.05 |
| **Profit/(Loss) before Tax** | | **(650.31)** | (2662.85) |
| **Tax expense:** | | | |
| Current tax | | **-** | - |
| Deferred Tax charged / (Credit) | | **-** | - |
| **Profit /(Loss) for the Year (A)** | | **(650.31)** | (2662.85) |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Re-measurement of Post Employment Benefit Obligation | | **-** | - |
| Tax Expense | | **-** | - |
| **Total Other Comprehensive Income (B)** | | **-** | - |
| **Total Comprehensive Income (A + B)** | | **(650.31)** | (2662.85) |
| **Earnings per Equity Share :** | | | |
| Basic & Diluted | 30 | **(0.96)** | (3.94) |
| Nominal value per Equity Share | | **10.00** | 10.00 |
| **Summary of Significant Accounting Policies**<br>**The accompanying notes are an integral part of the financial statements.** | 2 & 3 | | |

As per our report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : 23.06.2021

**Visalakshi Sridhar**
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**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : 23.06.2021

## STATEMENTS OF CHANGES IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

**A. Equity Share Capital (Refer Note 15)**

(₹ in Lakhs)

| | |
|---|---|
| **Balance as at 31 March 2020** | 6,761.81 |
| Changes in equity share capital | - |
| **Balance as at 31 March 2021** | **6,761.81** |

**B. Other Equity (Refer Note 16)**

(₹ in Lakhs)

| Particulars | Reserves and Surplus | Attributable to the equity holders of the parent |
|---|---|---|
| | Retained Earnings | |
| Balance as at 31 March 2019 | **(19,124.28)** | **(19,124.28)** |
| Profit /(Loss) for the year | (2,662.85) | (2,662.85) |
| Other Comprehensive Income for the year | - | - |
| Total Comprehensive Income for the year | **(2,662.85)** | **(2,662.85)** |
| **Balance as at 31 March 2020** | **(21,787.13)** | **(21,787.13)** |
| **Profit /(Loss) for the year** | (650.31) | (650.31) |
| **Other Comprehensive Income for the year** | - | - |
| **Total Comprehensive Income for the year** | **(650.31)** | **(650.31)** |
| **Balance as at 31 March, 2021** | **(22,437.44)** | **(22,437.44)** |

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

As per our report of even date attached

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : 23.06.2021

For and on behalf of the Board of Directors

**Visalakshi Sridhar**
MD, CFO & CS
DIN - 07325198
Membership No. ICSI A13849
AICWA - M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : 23.06.2021

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| | PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | |
| | Earnings before exceptional and extraordinary items and tax | **(126.42)** | (2661.80) |
| | Adjustments for: | | |
| | Depreciation / Amortization /Impairment | **5.92** | 344.35 |
| | Interest and Finance Charges | **0.03** | 0.01 |
| | Sundry Balances written off / Liabilities no longer required written back & other income | **-** | - |
| | Write off of Investments in Subsidiary | **523.50** | - |
| | Loss / (profit) on reptriation of capital of foreign subsidy | **-** | - |
| | Unrealised (Gain) / Loss on Exchange Rate Fluctuation (Net) | **-** | - |
| | Gain on Acturial Valuation | **-** | - |
| | Loss/(Profit) on sale/discard of Fixed Assets | **-** | - |
| | Dimunition in value of Investments | **-** | - |
| | Interest and Dividend Income | **(0.81)** | (0.88) |
| | Exceptional Item | **(523.89)** | (1.05) |
| | **Operating Profit Before Working Capital Changes** | **(121.67)** | (2319.36) |
| | Change in operating assets and liabilities | | |
| | (Increase)/Decrease in trade receivables and other assets | **(1,508.17)** | (13.48) |
| | (Increase)/Decrease in other Financial Assets | **47.26** | 936.13 |
| | (Increase)/Decrease in trade payables and other payables | **(227.60)** | 2653.93 |
| | **Cash Generated from Operations** | **(1810.19)** | 1257.22 |
| | **Net Cash from/(used in) Operating Activities** | **(1810.19)** | 1257.22 |
| B | **Cash Flow from Investing Activities** | | |
| | Purchase of Fixed Assets (including capital work - in progress) | **-** | - |
| | Sale of Fixed Assets / Refund from CWIP Suppliers | **2,243.95** | - |
| | Investment in subsidiary | **-** | - |
| | Intercorporate Deposits (given)/received back(net) | **-** | - |
| | Loans and advances (to)/ Received subsidiaries / holding company | **-** | 3346.24 |
| | Investment in Associates | **-** | -0.70 |
| | Interest and Dividend Income Received | **0.81** | 0.88 |
| | **Net Cash from/(used in) Investing Activities** | **2244.76** | 3346.42 |
| C | **Cash Flow from Financing Activities** | | |
| | Proceeds / (Repayment) from Short Term Borrowings (Net) | **(434.54)** | (4603.62) |
| | Finance cost | **(0.03)** | (0.01) |
| | **Net Cash from / (used in)Financing Activities** | **(434.56)** | (4603.64) |
| D | **Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)** | **0.00** | 0.00 |
| E | Opening Cash & Cash Equivalents | **5.29** | 5.29 |
| F | **Closing Cash & Cash Equivalents (D+E)** | **5.29** | 5.29 |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| **Reconciliation of Cash Flow statements as per the cash flow statement** | **31st March, 2021** | 31st March, 2020 |
|---|---|---|
| **Cash Flow statement as per above comprises of the following** | | |
| Cash and cash equivalents | **5.29** | 5.29 |
| **Balances as per statement of cash flows** | **5.29** | 5.29 |

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

As per our report of even date attached

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : 23.06.2021

For and on behalf of the Board of Directors

**Visalakshi Sridhar**
MD, CFO & CS
DIN - 07325198
Membership No. ICSI A13849
AICWA - M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : 23.06.2021

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**Note No.1**

**1. Company information**

Edayar Zinc Limited ("the Company") is primarily engaged in the business of manufacturing of zinc and its by-products. The company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiara, Kolkata, West Bengal - 700157.

The financial statements are approved for issue by the Company's board of directors on **June 23, 202**1.

**2. Basis of Preparation of financial statements**

Compliance with Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented.

These financial statements for the year ended 31 March 2021 are the first financials statement of the Company prepared in accordance with Ind AS.

**Historical cost convention**

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities (including derivative instruments) at fair value;
- Defined benefit plans – plan assets that are measured at fair value; and
- Land included in PPE are measured at Carrying Value

The financial statements are presented in INR, which is also the Company's functional currency and all amounts are rounded to the nearest Lacs, unless otherwise stated.

**3. Summary of significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**3.1 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

  The Company classifies all other liabilities as non-current.

  Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

**3.2 Foreign currency**

**Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items measured at cost is treated in line with the recognition of the gain or loss on the change in the value of the item (i.e., translation differences on items whose gain or loss is recognised in OCI or statement of profit & loss are also recognised in OCI or statement of profit & loss, respectively).

**3.3 Fair Value Measurement**

The Company discloses fair values of financial instruments measured at amortised cost in the financial statements.

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

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

The Company must be able to access the principal or the most advantageous market at the measurement date.

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

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

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

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

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

**3.4 Revenue recognition**

**Revenue from sales of goods**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes and inclusive of excise duty. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Revenue from sale of goods is recognized when all the following conditions have been satisfied:

(a) The company has transferred to the buyer the significant risks and rewards of the ownership of the goods;

(b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transaction will flow to the company; and

(e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other Revenue is recognized as follow:

**Finance Income:**

Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payment or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in other income in the profit & Loss Account.

**Royalty Income:**

Royalties is recognized on an accrual basis in accordance with the substance of the relevant agreement.

**Dividend**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**3.5 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Qualifying asset are asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the statement of profit & loss in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs is reduced to the extent of income arising from temporary parking of funds in fixed deposits and mutual funds.

The capitalisation of borrowing costs is suspended if there are prolonged periods when active development is interrupted. Interest expense for such period has been charged to statement of profit & loss account.

**3.6 Property, Plant and equipment (PPE)**

**Recognition and initial measurement**

Freehold land is carried at fair value. All other items of property, plant and equipment acquired or constructed are initially recognized at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. The present value of the initial estimated cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

**Subsequent measurement (depreciation and useful lives)**

When significant parts of plant and equipment are required to be replaced at regular intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the statement of profit & loss as and when incurred.

Depreciation on property, plant and equipment (except Office equipment & Transport Equipment) is provided on the straight line method, and others are provided on written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of profit & loss when the asset is derecognized.

**Transition to Ind AS:**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment, recognized as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**3.7 Intangible assets**

**Recognition and initial measurement**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

The useful lives of intangible assets are assessed to be finite. Intangible assets are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The intangibles are depreciated on a straight line basis over a period of 5 Years.

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Depreciation and Amortisation of the assets commences when the assets are ready for their intended use. Depreciation and amortisation ceases when the net book value of the asset is zero or the asset is no longer in use.

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

**3.8 Impairment of non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.
For assets an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication

that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

**3.9 Inventories**

Raw Materials, Stores and Spares and work in process is valued at lower of weighted average cost (net of Cenvat) and Net Realizable Value (NRV)

Finished Goods have been valued at lower of cost and net realisable value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

By-products are valued at estimated selling price.

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

**3.10 Trade Receivable**

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

**3.11 Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and deposits held at call with banks.

For the purpose of the cash flows statements, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**3.12 Financial Instruments**

**a) Investments and other financial assets**

**i. Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii. Subsequent measurement**

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Investment in subsidiaries**

Investment in subsidiaries is carried at cost less impairment (if any).

**iii. Derecognition**

A financial asset is derecognised only when:

i. the rights to receive cash flows from the asset have expired, or

ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**iv. Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Debt investments measured at amortised cost and FVOCI: Debt investments at amortised cost and those at FVOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

Trade receivables and lease receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables and lease receivables.

**v. Offsetting Financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**b. Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, under financial income or financial cost, in the period when they arise.

**c. Share Capital:**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**d. Financial Liabilities**

**i. Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**ii. Initial recognition and measurement**

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

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

**iii. Subsequent measurement**

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

1) **Borrowings:** Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

   Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in profit or loss as finance costs.

2) **Trade and other payable:** These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and payables are subsequently measured at amortized cost using the effective interest method.

3) **Financial Guarantee Contracts:**

Financial Guarantee Contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially is measured at fair value and subsequently at the higher of the amount determined in accordance with IND AS 37 and the amount initially recognized less cumulative amortization, where appropriate.

The fair value of financial guarantee is determined as the present value of the differences in net cash flows between the contractual payments under the debt instruments and the payments that would be required without the guarantee, for the estimated that would be payable to third party for assuming the obligation.

There is a restriction in the agreement executed with the financial instruments for charging of guarantee commission for guarantees given.

**iv. Derecognition**

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

**3.14 Income tax**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.14 Employee Benefits**

**a) Short-term / long term obligations**

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

**b) Defined contribution plan**

Contributions to defined contribution schemes such as provident fund, Employees State Insurance and Pension Plans are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable, during the year in which the employee renders the related service.

**c) Defined benefit plan**

**i) Gratuity :**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond and that have terms to maturity approximating to the terms of the related gratuity.
Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net

interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

ii) **Other Long term employee benefits:**

The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the statement of profit or loss in the period in which the absences occur.

The Company has a scheme for payment of Loyalty on retirement to eligible employees. The scheme is unfunded. The expected cost of loyalty obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method. Expense on loyalty obligation is recognized in the statement of profit or loss in the period in which they occur.

**3.15 Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

**Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

**Contingent Assets**

Contingent assets is disclosed where an inflow of economic benefit is probable.

**3.16 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**3.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**3.18 Critical accounting estimates and judgements**

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Impairment of Non-Financial Assets**

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

In assessing the value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded subsidiaries or other available fair value indicators.

**(b) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rate. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(c) Defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**(d) Income taxes**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate.

**(e) Recoverability of advances /receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**3.19 Ind AS 7, 'Statement of Cash Flows**

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 (the 'Amendment rules') on 17 March 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 4 - PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS**

(₹ in Lakhs)

| Particulars | Leasehold Land | Buildings | Plant and Machinery | Furniture and Fixtures | Motor Vehicle | Total PPE | Capital Work in Progress |
|---|---|---|---|---|---|---|---|
| As at and Year ended March 31, 2020 | | | | | | | |
| Gross carrying amount | | | | | | | |
| As at April 01, 2019 | 274.74 | 1,625.32 | 22,950.70 | 204.32 | 146.37 | 25,201.45 | 2,752.27 |
| Additions | - | - | - | - | - | - | - |
| As at March 31, 2020 | 274.74 | 1,625.32 | 22,950.70 | 204.32 | 146.37 | 25,201.45 | 2,752.27 |
| Accumulated Depreciation and Impairment | | | | | | | |
| As at April 01, 2019 | - | 1,249.30 | 18,199.86 | 198.97 | 144.41 | 19,792.54 | - |
| Depreciation charged during the year | - | 25.18 | 318.77 | 0.41 | - | 344.35 | - |
| As at March 31, 2020 | - | 1,274.48 | 18,518.63 | 199.38 | 144.41 | 20,136.89 | - |
| Net carrying amount as on March 31, 2020 | **274.74** | **350.84** | **4,432.07** | **4.94** | **1.96** | **5,064.56** | **2,752.27** |
| **As at year ended March 31, 2021** | | | | | | | |
| **Gross carrying amount** | | | | | | | |
| **As at April 01, 2020** | 274.74 | 1,625.32 | 22,950.70 | 204.32 | 146.37 | 25,201.45 | 2,752.27 |
| **Additions /(Deletion)** | - | (1,110.95) | (22,780.56) | (151.70) | (146.37) | (24,189.58) | - |
| **As at March 31, 2021** | **274.74** | **514.37** | **170.14** | **52.62** | **-** | **1,011.87** | **2,752.27** |
| **Accumulated Depreciation and Impairment** | | | | | | | |
| **Ast at April 01, 2020** | - | 1,274.48 | 18,518.63 | 199.38 | 144.41 | 20,136.89 | - |
| **Additions /(Deletion)** | - | (821.75) | (18,359.87) | (148.76) | (144.41) | (19,474.79) | |
| **Depreciation charged during the period** | | 5.27 | 0.59 | 0.05 | - | 5.92 | - |
| **As at March 31, 2021** | **-** | **458.00** | **159.35** | **50.67** | **-** | **668.02** | **-** |
| **Net carrying amount as on March 31, 2021** | **274.74** | **56.37** | **10.79** | **1.95** | **-** | **343.85** | **2,752.27** |

* The Projects in progress is net of some equipments taken away by the suppliers on account of non payment of their dues.

**NOTES:**

**4.1 (a)** Furniture and Fixtures include office equipment, the amount of which is not material

**4.1 (b)** The plant was not operational during the entire financial year. However, normal depreciation has been charges to all the assets. The mortgaged assets viz Land & Building, Plant and Machinery including the inventory has been physically taken over by the consortium of banks led by Punjab National Bank in July 2019. The Company has entered into a One Time Settlement with the Banks wherein the OTS will be paid out of sale proceeds of the mortgaged assets. The approval for utilisation of the proceeds in terms of Section 26E of the SARFESI Act 2002 was obtained vide DRT III order dated February 13, 2020. An agreement has been executed with M/s. Fine Fab Engineering and Construction for sale of the movable and immovable plant and machinery and inventory as scrap for value. The buyer has also paid an amount of ₹ 1150 lakhs directly to the bank. The bank has issued a sales certificate for ₹ 426 lakhs.

The Company has also entered into an agreement with m/s Mina Ventures Private Limited (MVPL) for sale of land. M/s MVPL has paid Rs.1500 lakhs directly to the bank towards purchase of land and the bank has issued a receipt for the same.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

### NOTE NO.5 - INTANGIBLE ASSETS

(₹ in Lakhs)

| PARTICULARS | Computer Software | Total |
|---|---|---|
| **As at and Year ended March 31, 2020** | | |
| Gross carrying amount | | |
| As at April 01, 2019 | 8.41 | 8.41 |
| Additions | - | - |
| **As at March 31, 2020** | **8.41** | **8.41** |
| **Accumulated Depreciation and Impairment** | | |
| As at April 01, 2019 | 8.41 | 8.41 |
| Depreciation charged during the year | 0.00 | 0.00 |
| **As at March 31, 2020** | **8.41** | **8.41** |
| **Net carrying amount as on March 31, 2020** | **0.00** | **0.00** |
| **As at year ended March 31, 2021** | | |
| Gross carrying amount | | |
| As at April 01, 2020 | 8.41 | 8.41 |
| Additions | - | - |
| **As at March 31, 2021** | **8.41** | **8.41** |
| **Accumulated Depreciation and Impairment** | | |
| At at April 01, 2020 | 8.41 | 8.41 |
| Depreciation charged during the year | 0.00 | 0.00 |
| **As at March 31, 2021** | **8.41** | **8.41** |
| **Net carrying amount as on March 31, 2021** | **0.00** | **0.00** |

### NOTE NO. 6 - NON CURRENT INVESTMENTS

| PARTICULARS | Face value | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|---|
| | | No. of shares/Units | Rupees in lakhs | No. of shares/Units | Rupees in lakhs |
| **Investment in equity instruments (fully paid-up)** | | | | | |
| **Unquoted** | | | | | |
| **Others** | | | | | |
| **Investment in Equity Instruments of Subsidiaries, fully paid up** | | | | | |
| 50,00,000 (Previous Year 50,00,000 Shares of ₹10/- each) in R.B.G. Minerals Industries Limited | 10 | 50,00,000 | 0.00 | 50,00,000 | 505.39 |
| **Investment in Associates** | | | | | |
| **70% Share in Green Panel Investment LLP** | | | 0.70 | | 0.00 |
| **Other Investments** | | | | | |
| **Investment in Equity Instruments of Other Companies, fully paid up** | | | | | |
| 1,75,000 (Previous Year 1,75,000 Shares of ₹10/- each) in Kerala Enviro Infrastructure Limited | 10 | 1,75,000 | 17.50 | 1,75,000 | 17.50 |
| **Total** | | | **18.20** | | **522.89** |
| **Total Non-Current Investments** | | | **18.20** | | **522.89** |
| Aggregate amount of Quoted Investment - At Market Value | | | - | | - |
| Aggregate amount of Unquoted Investment - At Cost | | | 18.20 | | 522.89 |
| Aggregate amount of impairment in the value of investments | | | - | | - |
| * provided for write off of investment in FY 2020-21 | | | | | |
| @ Amount is below the rounding off norm adopted by the group. | | | | | |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 7 - TAX ASSETS (NET)**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| **Unsecured, Considered good** | | |
| Advance Tax / TDS | 227.45 | 227.45 |
| Provision for Income Tax | (210.10) | 0.00 |
| **Total** | **17.35** | 227.45 |

**NOTE NO. 8 - OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Capital Advances | **244.42** | 244.42 |
| **Total** | **244.42** | 244.42 |

**NOTE NO. 9 - INVENTORIES**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Raw Materials | **1,421.18** | 1,421.18 |
| Work-In Process | **304.09** | 304.09 |
| Finished Goods | **6.96** | 6.96 |
| Stores and Spares | **903.83** | 903.83 |
| **Total** | **2,636.06** | 2,636.06 |

**NOTE NO. 9.2 BREAK - UP OF INVENTORIES OF FINISHED GOODS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Sulphuric Acid | **3.97** | 3.97 |
| Zinc Alloy | **2.99** | 2.99 |
| **Total** | **6.96** | 6.96 |

**NOTE NO. 9.3 BREAK - UP OF INVENTORIES OF WORK IN PROCESS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2020 | 31st March 2019 |
|---|---|---|
| Calcine | **299.99** | 299.99 |
| Zinc Dust | **4.10** | 4.10 |
| **Total** | **304.09** | 304.09 |

**NOTE NO. 9.4**

Raw materials and WIP valuation – Bankers led by Punjab National bank has taken Physical possession of the assets. Also refer to note 4.1(b)

**NOTE NO. 9.5**

Raw materials and WIP valuation – Bankers led by Punjab National bank has taken Physical possession of the assets. Also refer to note 4.1(b)

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 10 - CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Balances with banks (Refer Note below) | | |
| - in current accounts | **5.23** | 5.23 |
| Cash on hand | **0.06** | 0.06 |
| **Total** | **5.29** | 5.29 |

Note: All the Bank Accounts of the Company have been attached by the Income Tax Department towards recovery of old dues.

**NOTE NO 10.1 - BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Balances with banks in Deposit Accounts to the extent held as security against Letter of Credit facilities & Guarantees includes interest accrued on the deposits. | **4.41** | 4.41 |
| **Total** | **4.41** | 4.41 |

**Note:** The Bankers have adjusted the amount against their dues on 15th February 2019.

**NOTE NO. 11 - TRADE RECEIVABLES**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| (a) Secured, Considered Good | | |
| (b) Unsecured, Considered Good | 1,508.17 | - |
| (c) Which has significant increase in credit risk | | |
| (d) Credit impaired | | |
| **Total** | **1,508.17** | 0.00 |

**NOTE NO. 12 - LOANS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| **Loans & Advances to Related Parties (Unsecured Considered Good)** | | |
| Due from Subsidiary Companies (Refer Note No. 35C) | | |
| (provided for write off during the year 2020-21) | 0.00 | 18.50 |
| **Total** | **0.00** | 18.50 |

**NOTE NO. 13 - OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Deposits | 121.75 | 120.94 |
| Advances Recoverable in Cash or Kind | 1,252.34 | 1,239.34 |
| **Total** | **1,374.09** | 1,360.28 |

**NOTE NO. 14 - OTHER CURRENT ASSETS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Balance with Customs and Excise Authorities | 2,208.53 | 2,223.91 |
| Balance with Revenue Authorities | 2.47 | 48.34 |
| **Total** | **2,211.00** | 2,272.25 |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 15 - EQUITY SHARE CAPITAL**

(₹ in Lakhs)

| PARTICULARS | | 31st March 2021 | 31st March 2020 |
|---|---|---|---|
| **Authorised:** | | | |
| 10,00,00,000 (Previous Year 7,50,00,000) Equity Shares | | **10,000.00** | 7,500.00 |
| Par Value of ₹10/- per Share | | | |
| | **Total** | **10,000.00** | 7,500.00 |
| **Issued, Subscribed and Fully Paid up:** | | | |
| 6,76,18,082 (Previous Year 6,76,18,082) Equity Shares | | **6,761.81** | 6,761.81 |
| Par Value of ₹ 10/- per Share | | | |
| | **Total** | **6,761.81** | 6,761.81 |

**15 (I)- RECONCILIATION OF NUMBER OF SHARES**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | No of Shares | Amount | No of Shares | Amount |
| Number of shares outstanding at the beginning of the year | 6,76,18,082 | 6,761.81 | 6,76,18,082 | 6,761.81 |
| Number of shares outstanding at the end of the year | 6,76,18,082 | 6,761.81 | 6,76,18,082 | 6,761.81 |

**15(ii) -** Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2021, the amount of dividend proposed for distribution to equity shareholders is ₹ NIL per share (previous year – ₹ Nil per share)In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15(iii) - Number of shares held by Holding Company, Binani Industries Limited are given in Note 15 below.

15(iv) - Details of Shareholders holding more than 5% shares in the Company as at the end of the period:

(₹ in Lakhs)

| NAME OF SHAREHOLDER | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | % of Holding | No of Shares | % of Holding | No of Shares |
| Binani Industries Limited | **89.90%** | **6,07,88,138** | 89.90% | 6,07,88,138 |

**NOTE NO. 16 OTHER EQUITY**

(₹ in Lakhs)

| PARTICULARS | Reserves and Surplus<br>Retained Earnings | Attributable to the equity holders of the parent |
|---|---|---|
| **Balance as at 31st March 2020** | **(21787.13)** | (21787.13) |
| Profit /(Loss) for the year | **(650.31)** | (650.31) |
| Other Comprehensive Income for the year | **-** | - |
| Total Comprehensive Income for the year | **(650.31)** | (650.31) |
| **Balance as at 31st March 2021** | **(22,437.44)** | (22,437.44) |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

### NOTE NO. 17 - CURRENT BORROWINGS

(₹ in Lakhs)

| Particulars | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Cash Credit from Banks | **19,842.44** | 24,141.44 |
| Less: Deposit for OTS | **(2,216.35)** | (4,299.00) |
| | **17,626.09** | 19,842.44 |
| **Unsecured** | | |
| Loans from Related Party | **1,808.29** | 30.38 |
| Loans from Holding company | **435.46** | 431.56 |
| **Total** | **19,869.84** | 20,304.38 |

17(a) Punjab National Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) has declared the account as NPA w.e.f. June 30,2014 and in case of Punjab & Sind Bank, it was w.e.f. September 30,2014. Interest on bank loan has not been charged in books from April 01, 2016. The company has entered into an One Time Settlement with the Lenders for ₹ 17500 lakhs payable over a period with interest. The interest payable is backended and no interest is being provided. The exact benefit of the OTS will be recognised upon realization.

17(b) During the year 2020-21, an amount of ₹ 6515 lakhs (previous year ₹ 4299 lakhs) has been repaid towards the One Time Settlement. As per the DRT order dated August 12,2016, the Company has paid ₹ 323.75 lakhs till March 31,2019 and the same has been adjusted by the banks against their dues. In addition, the Banks in FY 2019 adjusted the Fixed deposit proceeds of ₹ 216.99 lakhs against their dues. The company had requested the Banks to adjust the same against the Principal dues. The OTS has been arrived at after adjusting the amounts paid as per the DRT order.

17© Cash credit / Temporary over draft are secured by paripassu first charge by was hypothecation of the whole of the current assets of the company viz. stocks of raw materials, packing aerials, stock in process, semi finished and finished goods, consumables stores and spares export / local bills receivable, book debts, movable plant and machinery, stores and spares relating to the machinery and other movables belonging to the company, both present and future paripassu second charge on the fixed assets of the Company located at Binanipuram, Kerala and by way of Corporate Guarantee of Binani Industries Limited, the Holding Company.

17(d) Period and amount of default as on the balance sheet date in respect of devolved letter of credit and bank guarantee invoked excluding interest is below:-

17(e) Period and amount of default as on the balance sheet date in respect of loans devolved letter of credit and bank guarantee invoked (excluding interest) :

| PARTICULARS | 31st March, 2021 (₹ in Lakhs) | Period (In months) |
|---|---|---|
| L/C Devolved during 2013-14 * | 4,141.12 | 85 |
| | 4,881.83 | 85 |
| L/C Devolved during 2014-15 * | 4,581.98 | 82 |
| | 5,401.33 | 80 |
| | 4,645.19 | 76 |
| B/G Invoked during 2015-16 | 115.82 | 66 |
| | 16.10 | 66 |
| | 13.63 | 66 |
| | 157.13 | 66 |
| | 20.30 | 61 |
| | 30.30 | 61 |
| B/G Invoked during 2019-20 (K VAT) | 46.13 | 15 |

Cash credit includes outstanding as on March 31, 2021 against the L/Cs devolved of ₹16587.21 lakhs (PY ₹16587.21 lakhs) and ₹ 399.41 lakhs against Bank Guarantee (PY ₹ 353.28 lakhs) . The settlement under the OTS has not been accounted for.

* The amount represents full amount of LCs opened. A portion of the amount was paid out of margin Money deposit available with the Banks.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

### NOTE NO. 18 TRADE PAYABLES

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Trade Payables (including acceptances & Provisions) | **156.77** | 156.77 |
| **Total** | **156.77** | 156.77 |

**17 Amount Due to Micro and Small Enterprises**

(i) The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Company could identified two MSME as mentioned in note 17 (ii) (a) and 17 (iii)

(ii) (a) Chemical Process Ltd filed petition before Micro small and medium Enterprises Facilitation Council, Konkan Division under section 18 (1) of Micro, Small and medium Enterprises Development Act 2006 claiming outstanding amount of ₹ 281.72 lacs against the supply of product as per the contract dated 21st June 2013 for "Design, engineering, fabrication, testing, supply, supervision, commissioning assistance of FRP reactor for Tamzinco Project. BZL filed reply before the Facilitation Council on the ground that BZL is a sick company and its case is registered with the BIFR. BZL further stated that protection under section 22 (1) of SICA is available immediately after registration of reference with BIFR. Since BZL proceedings are still pending with BIFR, proceedings under Micro, Small and medium Enterprises Development Act 2006 can only be initiated with prior consent from BIFR or the appellate authority. This was turned down.

(ii) (b) M/s Chemical Process Equipments Pvt Limited an MSE had approached Mico and Samll Enterprises Facilitation Council, Mumbai Region, Directorate of Industries, Government of Maharashtra for their claims and the latter has vide their order dated January 10, 2018 ordered the Company that "Respondent is required to pay to the Petitioner ₹ 281.72 lakhs alongwith interest on each and every due amount of the invoice when become payable after detection of 30 days till the realization of the amount to the Petitioner. "As banks have taken action under SARFESI and is under symbolic possession of the Banks w.e.f 21st July 2016 and physical possession from 23rd July 2019, no interest has been charged or considered in the Profit and Loss Accounts statements.

(iii) LADCO Galvanizers Pvt Limited has filed case with MSME counsel having registered office at SIPCOT. The amount outstanding is ₹ 5.58 lakhs as per our books of accounts. However they have claimed an outstanding of ₹ 5.62 lacs and interest of ₹ 4.69 lacs. matter is sub- judice. As banks have taken action under SARFESI and is under symbolic possession of the Banks w.e.f 21st July 2016 and physical possession from 23rd July 2019, no interest has been charged or considered in the Profit and Loss Accounts statements

### NOTE NO. 19 - OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Security Deposit | **61.48** | 61.48 |
| Creditors for Capital Goods | **297.22** | 297.22 |
| Advance from Customers | **80.79** | 80.79 |
| Retention Money Received | **265.10** | 265.10 |
| Others | **701.76** | 701.07 |
| Liabilities towards Employee's dues | **2,340.16** | 2,915.16 |
| Total | **3,746.51** | 4,320.82 |

### NOTE NO. 20 - OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Other Liabilities - Refer note below 20(a) | **2,316.04** | 924.01 |
| **Total** | **2,316.05** | 924.02 |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**20(a) - OTHER LIABILITIES**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Customs Duty on Zinc Concentrate | **474.88** | 474.88 |
| Other Current Liability | **1,500.00** | 440.00 |
| Other Statutory Dues | **341.17** | 9.14 |
| **Total** | **2,316.05** | 924.02 |

**NOTE NO. 21 - PROVISIONS**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| - For Leave Encashment | **29.64** | 29.64 |
| - For Gratuity | **255.00** | 255.00 |
| - For Loyalty | **202.57** | 218.72 |
| | **487.21** | 503.4 |
| Less: Employee Benefits paid | **0.00** | 0.00 |
| | **487.21** | 503.4 |
| Provision for Other Liabilities | **2,685.80** | 3,714.98 |
| **Total** | **3,173.01** | 4,218.34 |

**NOTE NO. 21(a)**

The Company has not operated the plant from November 27,2014. An application for closure of the plant was made to the Government of Kerala on Jun 12, 2015 and the same was rejected without granting us an opportunity to the heard. On October 16, 2015, the Labour secretary rejected the review petition filed under Section 25(O)(5) of the Industrial disputes Act, 1947. Consequently, the Company filed a writ Mandamus in High court of Kerala seeking directive to refer the matter for adjudication. Under the circumstance, the entire provisions for employee benefits have been classified as short term liability. Some of the employees have filed a case for payment of their full and final dues. During the year, the Company has paid ₹ 574.99 lakhs towards dues towards the workers, contract workers and management staff against the settlement.

**NOTE NO. 22 - REVENUE FROM OPERATIONS**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Sale of Products - Refer Note No. 22(a) & (b)** | | |
| Sulphuric Acid | **-** | - |
| Stores and Spares | **-** | - |
| **Total** | **-** | - |

**NOTE NO. 22(a)**

In the matter of Kerala state Pollution control Board, High Court of Kerala State Pollution Control Board order dated March 27,2019 constituted a committee with the district collector at the helm of affairs and removal of all hazardous materials is being done in a phased manner. A detailed report shall be filed as to steps taken in this regard by the Pollution control Board. (also see Note 22(C))

**NOTE NO. 22(b)**

For the year 2017-18 sale of Sulphuric acid and waste oils was effected pursuant to Kerala State Pollution Control Board order No PCB/ESC/CO-11/07 dated February 25,2017 directing the sales/ disposal of certain materials including Sulphuric acid, diesel oils etc. In terms of the said order, the Company sold Sulphuric acid and waste oils and the proceeds has been recognized as income in the books of 2017-18.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 22(C)**

Pursuant to the order dated December 06,2018, of the honorable High court of Kerala, Ernakulam, in respect of WP (c) No. 22772 of 2018, the Kerala State Pollution control Board (KSPCB) has sold a. 2792.79 MT of Zinc Sulphate Solution (Strong), 623 .53 MT of Zinc Sulphate (Weak) and 275.69 MT of Zinc Sulphate Crystals amounting to ₹ 187.29 Lakhs plus GST of ₹ 33.71 Lakhs (Total Sales of ₹ 221 Lakhs) in 2019-20. b. 1171.39 MT of zinc sulphate solution (strong) and 250 kg of copper sulphate amounting to ₹ 70.32 lakhs plus GST of ₹ 12.66 lakhs (Total sales of ₹ 82.98 lakhs) in 2018-19. Bill has been issued by KSPCB and separate GST number in the name of KSPCB has been obtained. The sale proceeds have been deposited by KSPCB in a separate account opened by them in their name. Pending receipt of necessary documents / complete information from them, we have not recognized sale of goods in FY 2018-19 and FY 2019-20. The Company has applied for receiving the proceeds.

**NOTE NO. 23 - OTHER INCOME**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Interest Income from Banks | - | - |
| Interest Income - Others | - | - |
| Interest on Income Tax Refund | - | - |
| Liabilities no longer required written back | - | - |
| Dividend Income | **0.81** | 0.88 |
| Misc. Income | - | - |
| **Total** | **0.81** | 0.88 |

**NOTE NO. 24 - CHANGES IN INVENTORIES OF RAW MATERIALS, WORK-IN PROCESS, FINISHED GOODS & STORES & SPARE PARTS (Refer Note No 9)**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Inventories as at the beginning of the year** | | |
| Raw Material | **1,421.18** | 1,421.18 |
| Work -In Process | **304.09** | 304.09 |
| Finished Goods | **6.96** | 6.96 |
| Stores & Spares | **903.83** | 903.83 |
| **Total** | **2,636.06** | 2,636.06 |
| **Inventories as at the end of the year** | | |
| Raw Material | **1,421.18** | 1,421.18 |
| Work -In Process | **304.09** | 304.09 |
| Finished Goods | **6.96** | 6.96 |
| Stores & Spares | **903.83** | 903.83 |
| **Total** | **2,636.09** | 2,636.28 |
| **Changes in Inventories** | | |
| Raw Material | - | - |
| Work -In Process | - | - |
| Finished Goods | - | - |
| Stores & Spares | - | - |
| **Total** | - | - |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 25 - EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Salaries and Wages | - | - |
| Contribution to Provident and Other Funds | - | - |
| **Total** | - | - |

**NOTE NO. 25(a)**

The company has entered into settlement with the workers vide agreement dated February 06, 2018 read with the Addenum dated 16/03/2020 for a consolidated amount of ₹ 2724.04 lakhs with applicable Interest. Against this amount the Company has as of March 31, 2021 paid ₹ 494 Lakhs

**NOTE NO. 25(b)**

The company is in receipt of a settlement agreement with contract laborers duly signed by the District Labour Officer and district Conciliatory Officer dated April 11, 2018 for an amount of ₹ 2 crore; the payment for which falls due within 120 days from the date of the settlement agreement and delay in payment shall attract interest @ 7% p.a. till the date of payment. Against this amount the Company has as of March 31, 2021 paid ₹ 81 Lakhs

**NOTE NO. 25(c)**

Managerial staff have been retrenched as on July 31, 2015. Retrenchment compensation has been provided in the books. Against this amount the Company has as of March 31, 2021 paid ₹ 16.15 Lakh

**NOTE NO. 26 - FINANCE COST**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Bank Charges | 0.03 | 0.01 |
| **Total** | 0.03 | 0.01 |

**NOTE NO. 27 - DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Depreciation on Tangible Assets | 5.92 | 344.35 |
| Depreciation on Intangible Assets | 0.00 | 0.00 |
| **Total** | 5.92 | 344.35 |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

### NOTE NO. 28 - GENERAL, ADMINISTRATION AND OTHER EXPENSES

(₹ in Lakhs)

| PARTICULARS | | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| Power and Fuel | | **1.80** | 1.36 |
| Payment of Bldg Tax | | **-** | - |
| Repaires & Maintenance - Electrical | | **-** | - |
| Repaires & Maintenance - Others | | **13.16** | 5.06 |
| Repaires & Maintenance - Plant & Mach | | **0.07** | - |
| Repairs & Maintenance - IT | | **-** | - |
| Service Charges | | **-** | - |
| Advertisement Exp. | | **0.89** | - |
| Insurance Expenses | | **-** | - |
| Postage & Courier Charges | | **-** | 1.59 |
| Printing & Stationary Expenses | | **-** | 1.88 |
| Internet Expenses | | **-** | - |
| Rent | | **0.18** | - |
| Rates and Taxes | | **43.10** | 12.69 |
| Director's Sitting Fees | | **0.85** | 2.40 |
| Security Expenses | | **0.00** | 6.52 |
| Secretarial Charges | | **3.66** | 1.53 |
| Professional Fees | | **18.23** | 39.16 |
| Legal Fees | | **4.90** | 41.20 |
| Water Charges | | **2.28** | 0.37 |
| Filing and Registration Fees | | **21.12** | 1.03 |
| Telephone Expenses | | **0.14** | 0.00 |
| Travelling and Conveyance Expenses | | **1.20** | 2.92 |
| Interest Expenses | | **0.12** | 0.07 |
| Interest Receivable Written Off | | **-** | - |
| Share of Loss in Green Panel Investment LLP | | **-** | 19.02 |
| Misc Expenses | | **8.72** | 2,180.50 |
| | **A** | **120.42** | 2,317.30 |

### NOTE NO. 28(i) - AUDITOR'S REMUNERATION

(₹ in Lakhs)

| PARTICULARS | | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **Payment to Auditors** | | | |
| **Statutory Auditors** | | | |
| a) Audit Fees | | **0.50** | 1.00 |
| b) Other Matters | | **0.35** | - |
| | **B** | **0.85** | 1.00 |
| | **Total (A + B)** | **121.28** | 2,318.32 |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 28(ii) - Misc Expenses**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Guest House Food Exps | - | - |
| Hotel Exps | - | - |
| Entertainment Expenses | - | - |
| Unutilised Taxes | 0.01 | 0.22 |
| Pooja Expense | - | - |
| AGM/Board Meeting Exps | - | 0.02 |
| Out of Pocket Expenses | - | 0.67 |
| Central Excise Duty- Demand | - | 0.61 |
| Provision for Other Expenses | - | 1,587.94 |
| Penalty under Central Excise Act, 1944 | - | 0.15 |
| Other Misc Exps | 8.71 | 590.89 |
| **Total** | **8.72** | 2,180.50 |

**NOTE NO. 28(iii)**

In the financial year 2017-18, KSEB has raised a demand vide letter dated 19/02/2018 for payment of ₹ 4935 lakhs being arrears of electricity charges w.e.f. April 2014. The Company was also eligible for a refund of ₹ 22.92 lakhs based on Government of Kerala refund of Electricity Duty Order No. GO(Ms.) No.10/2016/PD dated 22/04/2016. KSEB was to correct the bills and accounts consequent upon High Court Order dated 25th March 2013 (WA No. 336 of 2010). The Company has requested for reduction in the contract demand in February 2015 for reduction to 1500 KVA and thereafter requested for further reduction to 300 KVA pursuant to the spot inspection done by KSEB in October 2015. The Kerala Electricity Supply code, 2014 contains provisions for disposal of application for reduction of contract demand in a time bound manner i.e. 45 days in case of EHT connection. Regulation 60 of the said code also states that if the applicant fails to avail supply due to reasons beyond its control, the applicant shall not be liable to pay any compensation or charges for such failure. KSEBs letter dated 05/04/2016 stated As per Regulation in Supply Code 2014, the licensor is bound to reduce the Contract Demand as requested by the consumer. The KSEB has already directed the agreement authority to reduce the Contract Demand and the compliance from the agreement authority in this regard is not received till date. Thereafter the bills already issued will be revised and the excess payment made if any, will be adjusted in the arrears. Due to reasons beyond the control, the Company could not operate the plant and therefore could not utilize the contract demand. Therefore the Company should not be held liable for xed component of the contract demand. The charges on the contract demand are penalty in nature. The Company has requested KSEB to withdraw the same from the month of February 2015 Kerala State Electricity Board have been raising electricity bills based on minimum payable contract demand (75% of 18mva) even though the plant has been shut since November 2014. The Company has made written representations before the Board to reduce the contract demand to 1.5mva from February 2015 and has been paying based on minimum payable of this contract demand from July 2015 onwards. KSEB has appointed a committee to study the matter which has recommended relaxation of CD as 300kva. Company therefore submitted fresh application in December 2015. The Company has been effecting payments based on 300kva CD. KSEB has given a written confirmation that bills will be reworked as soon as they complete their internal procedures. KSEB has raised a demand vide letter dated 19th February 2018 for payment of ₹ 49,35,29,508/- being arrears of electricity charges w.e.f April 2014. The notice states that in case the amount is not paid on or before March 24, 2018, supply shall be dismantled without any further notice. There is a cash deposit of ₹ 7.08 crore in October 2017 bill apart from Cash deposit in bund pump bill of ₹ 1.17 lakhs It is however, not clear as to whether or not KSEB has adjusted the amount especially when we have shifted to LT from EHT. Refund of Electricity Duty was approved as per Government of Kerala GO (Ms.) No.10/2016/PD dated April 22, 2016 of ₹ 22.92 lakhs. High Court vide Order dated 25th March 2013 (WA No.336 of 2010) stated that installation of additional rectifier and consequent no increase in the contract demand as rectifier is only a power transmitting equipment. Accordingly, KSEB was to revise the Bills for the period June 2004 till March 2013. Pending reconciliation / clarification / refund from KSEB, the income / demand has not been recognized in the books of accounts. The Company vide its letter dated 28th November, 2018 raised a counter claim of ₹ 6.42 Crores to KSEB.

Against the Writ Petition filed by the Company, the High Court of Kerala vide order dated November 26, 2020, ordered an interim stay upon payment of ₹ 529 lakhs. This amount has been paid. The matter is sub-judice.

**NOTE NO. 28(iv)**

In the matter of writ fled by Mr. P E Shamsudheen in which the Kerala High Court on 4th January 2016 passed interim order against shifting of plant, machineries and equipment from factory till disposal of writ petition. Mr. P E Shamsudheen has vide Order dated 27th March, 2019 withdrawn the petition.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**Kerala Water Authority has demanded payment of the following:-**

| PARTICULARS | Amount (₹) |
|---|---|
| Deposit for supplying of water to existing residences (516 in number) in ward No. 15 of Kadungallor Panchayat as per agreement dated 9th March 2005. (Net of deposit of ₹ 16,02,635 vide cheque dated 8/8/2006 of South Indian Bank) | 35,98,645.00 |
| Incremental deposit as per revision of water charges for 10KL for 516 connections for the period October 2010 till march 2018* | 9,28,800.00 |
| Dues for water connection upto February 15, 2018 | 8,31,139.00 |
| Additional demand of kadungaloor Panchayat as discussed in meeting dated 28th December 2017 where the beneficiaries are increasing the number of beneficiaries to 550 from 516 (calculation to be understood) | 6,85,440.00 |
| Additional deposit for future tariff increases | 52,01,280.00 |
| Pending water dues of 516 families after deduction of payment by EZL till November 2017 | 21,44,523.00 |
| **Total** | **1,33,89,827.00** |

* Delay in deposit of this amount would entail payment of ₹10,320 per month.

1. The company has already paid for the deposit of water charges for supply of 10KL per month for 540 houses in Edayar Kadungalloor Panchayat ward No.28 (former ward No.15). Total amount paid as deposit is ₹ 31.56 lakhs. The amount has been reconciled with the Kerala Water Authority
2. During the year 2020-21, the Company paid ₹ 11 lakhs (arrived at after considering the deposit of ₹ 31.56 lakhs which was missed to be recognized by the KWA) to the Kerala Water Authority and presently there is nothing due as on date.
3. The incremental deposit for water in excess of 10 KL per month will be claimed by the KWA from the beneficiaries.

**NOTE NO. 29 - EXCEPTIONAL ITEMS**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Provision for Write Off (Impairment) | **523.89** | - |
| Prior Period Items | **-** | 1.05 |
| **Total** | **523.89** | 1.05 |

RBG Minerals Industries Limited was formed for the purpose of setting up a beneficiation plant and extraction of lead, copper and zinc concentrates. The Company had an underlying MOU with the Rajasthan and Gujarat Government for transfer of Deri and Ambaji mines in 20021. The Company took Basantgarh mine on lease from RSMML and has been paying dead rent. The Gujarat and Rajasthan Government have not transferred the mine in the name of the Company.

With the new mining policy the chances of transferring of mine by the Government seems frail. RSMML is also following up for starting work on the mine as per the lease deed. The Company hence proposes to settle /pay the overdue dead rent dues of ₹7 lakhs.

Given the position, the investment has been written off in the books

**Note No. 30 - Earnings Per Share (Basic/Diluted) - Before Excluding Extraordinary Items**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Loss for the year as per Statement of Profit and Loss (₹Lakhs) | (650.31) | (2,662.85) |
| Weighted Average number of Equity Shares of ₹10/- each (fully paid) | 6,76,18,082 | 6,76,18,082 |
| **Earnings Per Share (Basic/Diluted)** | **(0.96)** | **(3.94)** |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 31**

Bankers led by Punjab National bank have taken physical possession of the following mortgaged assets on 23r July, 2019. Land and Building and Plant and Machinery situated at Edayar Zinc Limited including an extant of 95.34 acres of land in Binanipuram, Kadungaloor Village Parur Taluka, Ernakulam District admeasuring area of Land :- 95.34 acres Industrial Building admeasuring area 117483 sq. meters along with inventory and current assets

**NOTE NO. 32**

EZL filed Insurance Claim before the consumer dispute Kerala State Commission against Oriental Insurance Co. Ltd. seeking order directing Oriental Insurance to pay an amount of ₹ 71.12 lakhs.

Oriental insurance company rejected EZL's claim citing non-disclosure of material facts by EZL ie. Non-disclosure that DG set was old. EZL's contention is that EZL have asked Oriental Insurance Co. Ltd to cover the existing DG set & not a new one.

**NOTE NO. 33**

In respect of capital goods imported at concessional rate of duty under the EPCG Scheme, the Company received notice no. DRI/BZL/CHN/SCN-08/2016 from DRI dated 29/11/2016 for an export obligation of ₹ 965.02 lakhs which is required to be met at different dates before November 2019. In the event of non-fulfilment of the export obligation, the Company will be liable to refund the availment of concessional customs duties and penalties as applicable. The DRI authorities had come to the plant and seized the imported capital goods which was in carton, which is included in CWIP.

DRI vide order dated 01/02/2018 have ordered payment due of ₹ 1.95 crore as follows which would be made good by enforcing the Bond executed at the time of clearance of the consignment. The value of bonds issued at the time of Import is ₹ 1.32 crore (see break-up below). This apart, the goods imported of value ₹ 3.65 crores have been confiscated.

| **CALCULATION OF PENALTY UNDER DRI ORDER dated February 01, 2018** | | |
|---|---|---|
| | ₹ | ₹ |
| Rejection of Concessional duty | | 86,63,267 |
| Interest from date of clearance of consignment | | |
| Date of Licence (considered as date of BoE) | 08-11-2013 | |
| Balance Sheet date | 30-06-2019 | |
| Interest from date of clearance of consignment | 18% | |
| Interest Amount | | 84,12,151 |
| Fine | | 30,00,000 |
| Penalty | | 10,00,000 |
| Total payable under the DRI order (EPCG) | | **2,10,75,418** |
| **Bonds Issue in favour of President of India** | | |
| Bond dated | | |
| 25th February 2014 | 65,12,000 | |
| 17th April 2014 | 58,16,000 | |
| 28th November 2013 | 8,86,000 | **1,32,14,000** |

Vide order dated Feb 24, 2021 the office of the DGFT has levied a fiscal penalty of ₹ 50 lakhs. The Company has filed an appeal with DGFT Bangalore for setting aside the order and waiver of penalties.

Vide order dated February 24, 2021 the office of Directorate of Foreign and General Trade has levied a fiscal penalty of ₹ 50 lakhs. The Company has filed an appeal with DGFT Bangalore for setting aside the order and waiver of penalities

Mr. Mohd. Iqbal has filed a case with NGT for recovery notice for recovering ₹4788 lakhs from the pollutants. A joint Committee was appointed by NGT comprising of members from CPCB, KSPCB, Scientist from Kerala Agricultural University and Department of Soil Survey Kerala to ascertain and submit whether the activities of EZL and BIL have led to the contamination of soil in nearby agricultural lands, whether EZL / BIL were complying with the conditions of the conditions of PCB, whether the waste generated are properly disposed and whether any of the past activities still continues which results in contamination. The matter is sub-judice.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 34- ASSETS PLEDGED AS SECURITY**

**The carrying amounts of assets pledged as security for current and non-current borrowings are:**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Current (Second charge/ Exclusive Charge)** | | |
| Financial Assets | | |
| First Charges | | |
| Cash and cash equivalents | **5.29** | 5.29 |
| Other Bank balances | **4.41** | 4.41 |
| Loans | **-** | 18.50 |
| Other financial assets | **2,882.26** | 1,360.27 |
| Other current assets | **2,211.00** | 2,272.25 |
| Non Financial Assets | | |
| Inventories | **2,636.06** | 2,636.06 |
| **Total current assets pledged as security** | **7,739.01** | 6,296.79 |
| **Non-Current (Second charge/ Exclusive Charge)** | | |
| First Charges | | |
| Factory Land * | **29.70** | 29.70 |
| Buildings, Plant & Equipments & Furnitures * | **5,537.84** | 4,789.81 |
| **Total non-current assets pledged as security** | **5,567.53** | 4819.51 |
| **Total assets pledged as security** | **13,306.55** | 11,116.30 |

* The Company had given third party first charge on Fixed Assets in favour of EXIM Bank of India who is lender to Binani Industries Limited (Holding company) for the loan of ₹ 31670.17 lakhs (outstanding as on March 31, 2018). Binani Cement Limited another subsidairy of Binani Industries Limited has also given corporate gaurantee for the said facility. Exim Bank invoked the guarantee of Binani Cement Limited and as per the NCLAT order dated 14th November 2018, Exim Bank of India was paid off by Ultratech Nathdwara Cement Limited (Formerly known as Binani Cement Limited ). The Guarantees no more exist.

**NOTE NO. 35 - RELATED PARTY DISCLOSURE AS PER AS 18 ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED)**

**A) Names of Related Parties and description of relationship:**

**a) Holding Company :** Binani Industries Limited

**b) Subsidiaries :** R.B.G. Minerals Industries Limited

**c) Fellow Subsidiaries (including step down subsidiaries) :**

Greenpanel Investment LLP, Global Composite Holdings Inc (formerly known as CPI Binani Inc), BIL Infratech Limited, Nirbhay Management Services Private Limited, Royal Vision Projects Pvt Ltd.

3B Binani Glassfibre Sarl, Goa Glass Fibre Limited, Project Bird Holding II SarL, 3B Fibreglass SprL, 3B Fibreglass AS Norway,Tunfib SarL Tunisia (under dissolution) till March 12, 2021. Binani Industries Limited the holding company of Edayar Zinc Limited lost control of these entities pursuant to invocation of pledge of equity shares of 3B Binani Glass Fibre Sarl, Luxembourg the holding company for these companies.

**d) Key Management Personnel & Enterprises where Promoters have got significant influence:**

(Excluding holding company, subsidiaries and fellow subsidiaries) Mr. Braj Binani and Triton Trading Company Private Limited

Visalakshi Sridhar, Managing Director, CFO and Company Secretary wef 08.04.2019

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**e) Directors:**

| Name of Directors | Designation | Period |
|---|---|---|
| Mrs. Kirti Mishra | Director | w.e.f. 05.02.2018 |
| Mr. Gour chandra Das | Director | w.e.f. 22.01.2019 |
| Mr. Pradeep Sharma | Director | w.e.f. 22.01.2019 |
| Mr. Mohd. Bismith Allingal | Director | w.e.f. 15.12.2020 |
| Mr. Abdul Salim Ali Kunju | Additional Director | w.e.f 26.03.2021 |
| Mrs. Visalakshi Shridhar | Managing Director, CFO and Company Secretary | w.e.f. 08.04.2019 |

**B) TRANSACTIONS** (₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Directors Sitting Fees** | | |
| - Mr. Pradeep Sharma | **0.25** | 0.50 |
| - Mrs. Kirti Mishra | **0.35** | 1.30 |
| - Mr. Gour Chandra Das | **0.25** | 0.60 |
| **Service Charges Expenses** | | |
| - Triton Trading Company Limited | **0.00** | 0.33 |
| - Binani Industries Limited | **11.80** | - |
| **Loans & Advances Paid / Repaid** | | |
| - Loans and Advances received from Binani Industries Ltd | **3.90** | 334.00 |
| - Loans and advances given to R B G Minerals Industries Ltd | **0.00** | 0.35 |
| - Loans and Advances from Green Panel Investment LLP | **1,777.91** | 30.38 |
| **Inter Corporate Deposit Received Back** | | |
| - Binani Industries Ltd | **-** | 3,346.59 |
| Other Financial assets received | **-** | 949.63 |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**C) BALANCES AS ON 31.03.2020**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Assets: | | |
| **Investment in Equity** | | |
| - R B G Minerals Industries Ltd | **-** | 505.39 |
| **Investment in Associates** | | |
| - Green Panel Investment LLP | **0.70** | - |
| **Loans** | | |
| Inter Corporate Deposit | | |
| - Binani Industries Limited | **-** | - |
| **Other Financial Asset** | | |
| Accrued Interest on ICD | | |
| - Binani Industries Limited | **-** | - |
| **Short Term Loans & Advances Given** | | |
| - R B G Minerals Industries Ltd | **-** | 18.50 |
| Liabilities: | | |
| Current Borrowings (Unsecured) | | |
| - Binani Industries Limited | **435.46** | 431.56 |
| - Green Panel Investment LLP | **1,808.29** | 30.38 |
| **Trade Payable** | | |
| - Triton Trading Company Limited | **12.96** | 12.96 |
| - Binani Industries Limited | **11.80** | - |
| - Nirbhay Management Services Pvt Ltd | **(0.01)** | (0.03) |
| **Other Financial Liabilities** | | |
| **Directors Sitting Fees** | | |
| - Mr. Lokanathan Venkatachalam | **0.09** | 0.09 |
| - Mr. Pradeep Sharma | **0.68** | - |
| - Mrs. Aparna Sahay | **0.50** | 0.50 |
| - Mrs. Kirti Mishra | **1.04** | 0.72 |
| - Mr. Mahesh Gupta | **0.72** | 0.72 |
| - Mr. Gour Chandra Das | **0.77** | 0.54 |
| **Corporate Guarantees taken from*** | | |
| - Binani Industries Ltd | **24,440.75** | 24,440.75 |

**Note:**

* Jointly and Severally with the Holding Company and Fellow subsidiaries

As per NCLAT order dated 14th November 2018 issued in respect of Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) IBC proceedings, the loan availed by Binani Industries Ltd. and 3B Binani Glassfibre Sarl and 3B Fibreglass Norway AS was paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) in its capacity as Corporate Gaurantor.

Based on legal opinion received by the Company on NCLAT order where no assignment aubrogation of debt/ Guarantees is permitted, debts paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) pursuant to the order, all the guarantees of the Company given to Binani Industries Limited, 3B Binani Glassfibre Sarl and 3b Fibreglass Norway AS stands discharged.

Binani Industries Limited has lost control on Binani Cement Limited wef 24th July 2017, the date of admission under the CIRP of IBC.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 36 - FAIR VALUE MEASUREMENTS**

**Financial instruments by category**

(₹ in Lakhs)

| Particulars | 31 March 2021 | | | 31 March 2020 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | - | - | **17.50** | - | - | 523.59 |
| - Associates | - | - | **0.70** | - | - | 0.70 |
| Loans | - | - | **-** | - | - | 18.50 |
| Cash and cash equivalents | - | - | **5.29** | - | - | 5.29 |
| Other bank balances | - | - | **4.41** | - | - | 4.41 |
| Other financial assets | - | - | **1,374.08** | - | - | 1,360.27 |
| **Total Financial Assets** | - | - | **1,401.98** | - | - | 1,912.77 |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | - | **19,869.84** | - | - | 20,304.38 |
| Trade payables | - | - | **156.77** | - | - | 156.77 |
| Other financial liabilities | - | - | **3,746.51** | - | - | 4,320.81 |
| **Total Financial Liabilities** | - | - | **23,773.12** | - | - | 24,781.96 |

**NOTE NO. 37 - FINANCIAL RISK MANAGEMENT**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

The Company's risk management is carried out by Finance department under policies approved by the board of directors. The Company finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(A) CREDIT RISK**

The company is exposed to credit risk, which is the risk that counter party will default on its contractual obligation resulting in a financial loss to the group. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost, derivative products and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

**(i) Credit risk management**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counter party,

iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counter party,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Financial assests are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

| **Particulars** | **As at 31st March 2021** | As at 31st March 2020 |
|---|---|---|
| **Not due** | | |
| 0-180 Days | **1,508.17** | - |
| 181-360 Days | **-** | - |
| 1 years to 2 years | **-** | - |
| More than 2 years | **-** | - |
| Total | **1,508.17** | - |

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**(B) LIQUIDITY RISK**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at Corporate in accordance with practice and limits set by the Holding Company Management . These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Financing arrangements**

The group does not have access to any undrawn borrowing bank facilities at the end of the reporting period:

| **Particulars** | **31 March 2021** | 31 March 2020 |
|---|---|---|
| **Floating rate** | | |
| Expiring within one year (bank overdraft and other facilities) | **0.00** | 0.00 |
| Expiring beyond one year (bank loans) | **-** | - |
| **Total** | **0.00** | 0.00 |

The Bank Account has already become NPA in the year 2014-15 and Banks have cancelled the working capital facilities and taken physical possession of the assets charged. Also refer to note on One Time settlment with the banks

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**(ii) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

**I) Maturity patterns of Borrowings**

(₹ in Lakhs)

| As at 31st March, 2021 | 0-180 Days | 181-360 Days | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Short term borrowings | 19,869.84 | - | - | - | 19,869.84 |
| **Total** | **19,869.84** | **-** | **-** | **-** | **19,869.84** |

| As at 31st March, 2020 | 0-180 Days | 181-360 Days | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Short term borrowings | 20,304.38 | - | - | - | 20,304.38 |
| **Total** | **20,304.38** | **-** | **-** | **-** | **20,304.38** |

**II) Maturity patterns of other Financial Liabilities**

| As at 31st March, 2021 | 0-180 Days | 181-360 Days | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Trade Payable | 156.77 | - | - | - | 156.77 |
| Other Financial liability (Current andNon Current) | 3,746.51 | - | - | - | 3,746.51 |
| Payable related to Capital goods | - | - | - | - | - |
| **Total** | **3,903.28** | **-** | **-** | **-** | **3,903.28** |

| As at 31st March, 2020 | 0-180 Days | 181-360 Days | 1 years to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Trade Payable | 156.77 | - | - | - | 156.77 |
| Other Financial liability (Current andNon Current) | 4,320.81 | - | - | - | 4,320.81 |
| Payable related to Capital goods | - | - | - | - | - |
| **Total** | **4,477.58** | **-** | **-** | **-** | **4,477.58** |

**(C) MARKET RISK**

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds monetary assets and liabilities which are in currency other than its functional currency.

**(a) Foreign currency risk exposure:**

The Company has following unhedged foreign currency risk (all in Foreign Currency Lakhs) at the end of the reporting period expressed in INR, are as follows

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Financial assets** | | |
| Receivables (USD) | - | - |
| **Net exposure to foreign currency risk (assets)** | - | - |
| **Financial liabilities** | | |
| Trade Payable (USD) | - | - |
| **Net exposure to foreign currency risk (liabilities)** | - | - |

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**(b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars | 2020-21 | | 2019-20 | |
|---|---|---|---|---|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| USD | - | - | - | - |
| Total | - | - | - | - |

**NOTE NO. 38 - CAPITAL MANAGEMENT**

**(a) Risk management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell the assets to reduce the debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**NOTE NO. 39 - CONTINGENT LIABILITIES AND COMMITMENTS:**

**(a) Contingent Liabilities**

(₹ in Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Contingent Liabilities:** | | |
| Claims against the company not acknowledged as debt (Disputed Tax/duty and other demands) | 6,948.01 | 8,463.24 |
| Guarantees given to Financial Institutions and Banks (Refer Note 39.1) | - | 109.50 |
| **Commitments:** | | |
| Other commitments | - | - |
| Total | 6,948.01 | 8,572.74 |

**39.1 Details of Guarantees :**

(₹ in Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Other Bank Guarantees | - | 109.50 |
| Total | - | 109.50 |

**39.2 Note on EZL - KAVT status for the period 2005-06 till 2014-2015**

In the recent past, company applied for revision of assessment for all the years from 2005-06 till 2014-15 by approaching appellate tribunal and its kerala high court for direction to the department to consider C forms / F forms not presented / not considered because of non availability of state check post data during original assessment time under the Amnesty Scheme. KVAT department accepted our application and the amount of ₹541.40 lakhs was paid in full under the amnesty scheme.

1. KSEB - Company is eligible for refund from KSEB of Rs.22.92 Lacs after deduction of default duty of self generation. However Deferred Tax asset is not recognised.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS
(All amounts in INR lakhs, unless otherwise stated)

2. KeralaEnviro Infrastructure Ltd. filed suit before Subordinate Court, claiming amount of Rs.33.31 Lacs (approx) plus court fees. Against the said claim provision has been made in books for Rs.16.74 Lacs. Balance amount of Rs.16.57 Lacs not recognised as Contingent Liability since the matter is pending before the Court for disposal.

3. MSME Creditors - Chemical Process Ltd. filed petition before Micro Small and Medium Enterprises Facilitation Council, Konkan Division u/s 18(1) of Micro, Small and Medium Enterprises Development Act, 2006 claiming Rs.281.72 Lacs against supply of product. Since bankers has taken possession of the Company and matter is lying with DRT any order of subordinate court cannot be entertained unless Higher Court passes an order. Hence not recognised as Contingent Liability.

**NOTE NO. 40 : INCOME TAXES**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

**(a) Statement of profit and loss:**

(₹ in Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **(a) Income tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | - | - |
| Adjustments for current tax of prior periods | - | - |
| **Total current tax expense** | **-** | **-** |
| **Deferred tax** | | |
| Decrease (increase) in deferred tax assets | - | - |
| (Decrease) increase in deferred tax liabilities | - | - |
| Total deferred tax expense/(benefit) | - | - |
| **Income tax expense** | **-** | **-** |

**(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :**

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Profit before income tax expense | (650.31) | (2,662.85) |
| **Enacted income tax rate in India** | 26.00% | 26.00% |
| **Income tax expense as per enacted rate** | (169.08) | (692.34) |
| Tax effect of amounts which are not deductible(taxable) in calculating taxable income: | | |
| Expenses disallowed since business not commenced | | |
| Depreciation | - | - |
| Other items | - | - |
| DTA not recognised | 169.08 | 692.34 |
| Adjustments for current tax of prior periods | - | - |
| Tax losses for which no deferred income tax was recognised | - | - |
| Income tax expense | - | - |

**Note: Deferred Income Tax Asset is not recognised in the books.**

**41.1** In the year 2004 KSEB had imposed penalty of ₹ 20 lakhs per month for unauthorized additional load. The Single Bench of the Hon'ble High Court of Kerala, had in December 2009, disposed the Company's Petition against the Order of the Appellate Authority (Dy. Chief Engineer KSEB) and quashed the order levying penalty for un-authorised additional load. Matter was remanded with a direction to take a decision afresh in accordance with Law considering the bonafide conduct of the Company. The Single Judge held that the Company had obtained all the necessary approvals & energization order from Electrical Inspectorate as stipulated in the conditions of supply of KSEB and since there was no violation, the penal charges are not payable. However matter was remanded. Company filed appeal against remand before the Division Bench. Division Bench held in Company's favor completely. Hence no provision is considered necessary at this stage. (also refer note 28(ii))

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**Note: Deferred Income Tax Asset is not recognised in the books.**

**41.2** In respect of electricity charges payable for certain years in the prior period, KSEB had withdrawn the concessional tariff eligible for the Company. Though initially the tariff concession was extended, it was subsequently withdrawn by KSEB, on the specific plea that the capacity expansion (which was the criteria for eligibility) was not achieved before due date. KSEB raised claim for ₹ 816.88 Lakhs for those years, which was provided for. The Company had taken up the matter before the Hon'ble High Court of Kerala, which was admitted. KSEB withdrew its earlier order and sought permission for de novo determination, which was accepted by the Single Judge. Company went before Division Bench to issue necessary orders for accepting Company's eligibility. Hearings have been completed and reserved for judgement. Since the matter is pending for nearly three decades and based on the legal advice obtained, the said amount of ₹ 816.88 lakhs provided for, was considered no longer payable and written back in the accounts of the Company in the year 2003-04. The Company, as legally advised, is hopeful of a favourable decision on final settlement of the issues involved in the matter and hence no provision is made for the said amount, which is included under contingent liabilities. (also refer note 28(ii))

**NOTE NO. 42 SEGMENT REPORTING**

The Company operates in a single segment i.e. 'Production and Sales of Zinc and allied products in India'. The company's entire Zinc sales are in India. Hence no additional disclosures under Ind AS "Operating Segments" are required in these financial statements

**NOTE NO. 43 RISK MANAGEMENT TRANSACTIONS**

**43.1** The Company undertakes hedging against the risk in commodity prices (zinc prices) through derivative instruments in London Metal Exchange. The gain/losses are recognized in the Statement of Profit and Loss on settlement of the transaction. However, during the year 2020-21, the Company has not undertaken any fresh hedging activities.

**43.2** In pursuance of the announcement dated 29/03/2008 of the Institute of Chartered Accountants of India on accounting for derivatives, mark to market gains (net) on outstanding derivative instruments as at 31/03/2021 stood at Nil (Previous Year Nil).

**NOTE NO. 44**

The consortium of Banks led by Punjab National Bank have sanctioned a One Time settlement during 2019-20 (PNB vide sanction letter dated 29.08.2019, Oriental bank of Commerce vide their letter dated 07.10.2019 and Punjab and Sind Bank vide their letter dated 23.09.2019) for ₹ 175 crore. The Banks had taken physical possession of the mortgaged assets in July 2019. As per the terms of the One Time Proposal, the mortgaged assets will be sold and the proceeds will be utilised for payment towards the One Time settlement. The Debt recovery Tribunal has vide order dated February 13, 2020 permitted the sale of assets mortgaged either by the Banks or by the Company with the permission of the Banks under the provisions of the SARFESI Act and the Banks shall issue a Certificate of sale thereof. Further the Banks have been permitted appropriation of the sale proceeds of the said secured assets on a first priority in terms of section 26E of the SARFESI Act and the notification dated December 24, 2019 issued in respect thereof by the Ministry of Finance (Department of Financial Services) where the debts of the banks are to be paid on a priority to all other debts, all revenues, taxes, cesses and other rates payable to the Central Government/ State Government/localauthority. During the year 2019-20 the application filed by Punjab National bank before the Hon'ble National Company Law Tribunal, Kolkata for admission of the Company's matter under the Insolvency and Bankruptcy Code, 2016 (IBC) has been disposed off as withdrawn vide order dated December 04, 2019 as the Company has arrived at an One Time Settlement with the Banks.As part of the Corporate Insolvency Resolution Process in Binani Cement Limited and order dated November 14, 2018 of NCLAT, Binani Cement Limited has already paid the dues to EXIM bank who had invoked the Corporate Guarantee issued by Binani Cement Limited.

**NOTE NO. 45**

The management is of the opinion, taking due consideration of the factors stated in Notes above and also that the realizable value of the assets is more than the carrying value in accordance with the provisions of Indian Accounting Standard – IND AS 36 (Impairment of Assets). The assets are not tested for impairment.

**NOTE NO. 46**

The company has entered into One Time Settlement (OTS) with the Banks wherein the OTS will be paid out of sale proceeds of the mortgaged assets. The company has obtained an order from DRT-III for utilization of the sale proceeds in terms of Section 26E of the SARFAESI Act 2002. Sale is being done as per the OTS sanction and DRT order and as of March 31, 2021 an amount of ₹ 2201 lakhs has been paid under the OTS.

## NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

(All amounts in INR lakhs, unless otherwise stated)

**NOTE NO. 47 ADVANCE FOR SALE OF LAND**

The agreement with M/s Rhea Realty Private Limited for sale of land is pending before the Honourable High Court of Kerala. This is pursuant to the order of the Paravoor Civil Court in the subject matter. While discussions are underway, in the matter of dispute on the sale agreement, ₹ 100 lakhs was received from M/s Megalith Builders Private Limited (a related party of M/s Rhea Realty Private Limited) as further advance for land sale as a goodwill gesture.

**NOTE NO. 48**

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivables, investments and other assets and liabilities. Based on the current indicators of the future economic conditions, the company expects to recover the carrying amount of all its assets. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to the future economic conditions

**NOTE NO. 49**

During the year 2019-20, the company received ₹4727.79 lakhs from Binani Industries Limited and the same has been adjusted against their dues. As of March 31, 2021, the company owes ₹ 435.46 lakhs to Binani Industries Limited, the holding company.

**NOTE NO. 50** No events other than mentioned above or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements for the year ended, other than those reflected or fully disclosed in the books of accounts.

As per our report of even date attached

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : 23.06.2021

For and on behalf of the Board of Directors

**Visalakshi Sridhar**
MD, CFO & CS
DIN - 07325198
Membership No. ICSI A13849
AICWA - M21132

**Mohd. Bismith Allingal**
Director
DIN 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : 23.06.2021

## INDEPENDENT AUDITOR'S REPORT

To
**The Members of Edayar Zinc Limited**

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Edayar Zinc Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss (Including Other Comprehensive Income), the statement of cash flows & the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements subject to Note No 48 give the information required by the Companies Act, 2013 ('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,("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2021, the profit 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 specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of theconsolidated 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 together with the ethical requirements that are relevant to our audit of the consolidated Ind ASfinancial 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 code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

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

Reporting of Key Audit Matters as per SA 701, Key Audit Matters are not applicable to the company as it is an unlisted company.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the Financial Statements:

a) Note No. 47 of the financial statements stating that the consortium of banks have sanctioned one time settlement for Rs 175 crores and as per OTS terms the mortgaged assets will be sold and the proceeds will be utilized for payment towards OTS. This event will lead to disposal of substantial assets of the company which may affect the going concern concept of the company.

b) Note No.48 of the financial statements stating that in the opinion of the management, there is no impairment in the value of the fixed assets to be recognized in the accounts at this stage, within the meaning of Indian Accounting Standard (Ind AS) 36– Impairment of Assets, notified by the Companies Accounting Standards Rules 2006, which is however dependent on various uncertainties over its ability to continue as a going concern, as stated therein.

c) Note No. 49 of the financial statements stating that in the opinion of the management due to COVID 19 situation, disclosure as per Indian Accounting Standard (Ind AS) 36– Impairment of Assets and Ind AS 105- Non current Assets Held for Sale and Discontinued Operationsis not feasible, which will affect the financial position of the Company, however the impact of the same has not been quantified in the financial statements.

d) We draw attention to the fact that the net worth of the company has been fully eroded and this indicates the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

e) Note No 57 of the financial statements stating that the investment in subsidiary company RBG Minerals has been written off

Our report is qualified in respect of these matters.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements or our knowledge obtained during the course of our 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 financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated 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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of are as on ably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

As required by 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 of the aforesaid consolidated financial statements;

(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 Consolidated Balance sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) In our opinion, the matters described in sub paragraphs (a) to (e), under the Key Audit Matters paragraph above regarding the ability of the Company to continue as a going concern and regarding the impairment in the value of the fixed assets, regarding the proceedings initiated by Banks under SARFAESI Act and pendency of the closure petition, may have an adverse effect on the functioning of the Company.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) We have been informed that the company has discontinued its operations since 2014 and in absence of any activity and manpower; no internal financial control policies have been separately framed. In absence of any such defined policies we cannot comment on the effectiveness of the internal financial control.

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

   (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 44, 47 and 49 in the consolidated Ind AS Financial Statements.

   (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

   (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund and therefore the question of delay in transferring such sums does not arise.

For **Udeshi Shukla & Associates**
Chartered Accountants
FRN: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
MRN: 042082
UDIN: 21042082AAAADS3455
Mumbai – June 23, 2021

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| Particulars | Note No. | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **I ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 4 | **509.48** | 5,230.17 |
| Capital Work-in-Progress | 4 | **3,234.70** | 3,231.92 |
| Goodwill | 5 | **-** | 5.39 |
| Other intangible assets | 5 | **-** | |
| **Financial Assets** | | | |
| i.Investments | 6 | **18.20** | 18.20 |
| Trade Receivables | | | |
| Loans | | | |
| ii.Other Financial Assets | 7 | **3.87** | 3.45 |
| Tax assets (net) | 9 | **17.92** | 17.86 |
| Deferred Tax Assets (Net) | - | **-** | - |
| Other non-current assets | 8 | **249.52** | 249.52 |
| **Total Non Current Assets** | | **4,033.69** | 8,756.51 |
| **CURRENT ASSETS** | | | |
| Inventories | 10 | **2,636.06** | 2,636.06 |
| **Financial Assets** | | | |
| i.Investments | | **-** | - |
| ii.Trade receivables | 11 | **1,508.17** | - |
| iii.Cash and cash equivalents | 12 | **5.34** | 5.43 |
| iv.Bank balances other than cash and cash equivalents | 12.1 | **4.41** | 4.41 |
| v. Loans | 13 | **-** | 0.34 |
| v.Other financial Assets | 14 | **1,374.57** | 1,360.61 |
| Other current assets | 15 | **2,211.22** | 2,272.47 |
| **Total Current Assets** | | **7,739.77** | 6,279.32 |
| **Assets Held for Sale** | | **2,471.41** | - |
| **Total Assets** | | **14,244.87** | 15,035.83 |
| **II EQUITY AND LIABILITIES** | | | |
| Equity Shareholders' funds | | | |
| Equity Share Capital | 16 | **6,761.81** | 6,761.81 |
| Other Equity | 17 | **(21,808.48)** | (21,681.80) |
| **Total Equity** | | **(15,046.67)** | (14,919.99) |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Deferred Tax Liabilities (Net) | | **26.96** | 26.96 |
| Total Non Current Liabilities | | **26.96** | 26.96 |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| i.Borrowings | 18 | **19,869.84** | 19,842.44 |
| ii.Trade payable | 19 | **164.13** | 157.41 |
| iii.Other Financial liabilities | 20 | **3,741.50** | 4,786.48 |
| Other current liabilities | 21 | **2,316.10** | 924.07 |
| Provisions | 22 | **3,173.01** | 4,218.46 |

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| | | | |
|---|---|---|---|
| **Total Current Liabilities** | | **29,264.58** | 29,928.86 |
| **Total Liabilities** | | **29,291.54** | 29,955.82 |
| **Total** | | **14,244.87** | 15,035.83 |
| **Summary of Significant Accounting Policies** | | | |
| **The accompanying notes are integral part of the financial statements.** | **1** | | |

As per our report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : June 23, 2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| PARTICULARS | Note No. | 31st March 2021 | 31st March, 2020 |
|---|---|---|---|
| **I INCOME** | | | |
| Revenue from operations | 23 | - | - |
| Other Income | 24 | **0.81** | 0.88 |
| **TOTAL INCOME** | | **0.81** | 0.88 |
| **II EXPENSES** | | | |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 25 | - | - |
| Employee benefits expenses | 26 | - | - |
| Depreciation and amortization expense | 27 | **5.92** | 344.35 |
| Finance cost | 28 | **0.04** | 0.01 |
| Other expenses | 29 | **121.53** | 2,299.45 |
| **TOTAL EXPENSES** | | **127.49** | 2,643.81 |
| **III Loss before exceptional items & Tax** | | **(126.68)** | (2,642.94) |
| IV Exceptional items (Net) | 30 | | 1.05 |
| **V Loss before tax** | | **(126.68)** | (2,643.98) |
| VI Tax expense: | | | |
| - Current Tax | | - | 0.06 |
| - Tax of earlier periods | | - | - |
| - Deferred Tax charge (net) | | - | (0.36) |
| - MAT Credit Entitlement | | - | |
| **Total Tax Expenses** | | - | (0.30) |
| **VII Loss for the Year** | | **(126.68)** | (2,643.69) |
| Other Comprehensive income | | | |
| **VIII Items that will not be reclassified to profit or loss** | | | |
| i).Re-measurement to Post employment benefit Obligation (Gain)/ Loss | | - | - |
| ii).Income tax relating on this Items | | - | |
| Other Comprehensive income for the year ( net of tax ) | | - | - |
| **Total Comprehensive Income/(Loss) for the Year** | | **(126.68)** | (2,643.69) |
| **XI Loss Attributable to:** | | | |
| Owners | | **(114.00)** | (2,379.05) |
| Non controlling interests | | **(12.68)** | (264.63) |
| **Total** | A | **(126.68)** | (2,643.69) |
| **XII Other Comprehensive Income Attributable to:** | | | |
| Re-measurement of Post Employment Benefit Obligation | | - | - |
| Tax Expense | | | |
| **Total** | B | - | - |
| **Total** | A+B | **(126.68)** | (2,643.69) |
| **XIV Earning per equity share of Rs.10 each:** | | | |
| Basic & Diluted | 31 | **(0.19)** | (3.91) |
| Nominal Value per equity shares (in Rs.) | | **10.00** | 10.00 |
| Summary of Significant Accounting Policies | | | |
| The accompanying notes are integral part of the financial statements. | 1 | | |

As per our report of even date attached

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : June 23, 2021

## CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

(All amounts in INR lakhs, unless otherwise stated)

**A. Equity Share Capital (Refer Note 16)**

(₹ in Lakhs)

| | |
|---|---:|
| **Balance as at 1 April 2019** | **6,761.81** |
| Changes in equity share capital | - |
| **Balance as at 31 March 2020** | **6,761.81** |
| Changes in equity share capital | - |
| **Balance as at 31 March 2021** | **6,761.81** |

**B. Other Equity**

(₹ in Lakhs)

| Particulars | Attributable to the equity holders of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | Reserves representing unrealised gains/losses | | Total | Non-controlling interests | Total equity |
| | General Reserve | Retained Earnings | Equity instruments through Other Comprehensive Income | Remeasurements of the net defined benefit Plans | | | |
| **Balance as at 31 March 2019** | - | (19,038.13) | - | - | (19,038.13) | | (19,038.13) |
| Profit for the year | | (2,643.68) | | | (2,643.68) | | (2,643.68) |
| Other Comprehensive Income for the year | | - | | | - | | - |
| Total Comprehensive Income for the year | - | (2,643.68) | - | - | (2,643.68) | | (2,643.68) |
| Transfer to general reserve | | | - | | | | |
| Dividend paid on equity shares | | | - | | | | |
| Dividend distribution tax paid | | | - | | - | | - |
| **Balance as at 31 March 2020** | **-** | **(21,681.81)** | **-** | **-** | **(21,681.81)** | | **(21,681.81)** |
| Profit for the year | | **(126.68)** | | | **(126.68)** | | **(126.68)** |
| Other Comprehensive Income for the year | | - | | | - | | - |
| Total Comprehensive Income for the year | | **-** | **-** | **-** | **-** | **-** | **-** |
| Transfer to general reserve | | | - | | | | |
| Dividend paid on equity shares | | | - | | | | |
| Dividend distribution tax paid | | | - | - | - | | |
| **Balance as at 31 March 2021** | **-** | **(21,808.48)** | **-** | **-** | **(21,808.48)** | **-** | **(21,808.48)** |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

**Mohd. Bismith Allingal**
Director
DIN 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : June 23, 2021

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| | Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | |
| | **Earnings before exceptional and extraordinary items and tax** | **(126.68)** | (2642.93) |
| | Adjustments for: | **-** | - |
| | Depreciation / Amortization /Impairment | **5.92** | 344.35 |
| | Interest and Finance Charges | **0.04** | 0.01 |
| | Sundry Balances written off / Liabilities no longer required written back & other income | **-** | - |
| | Unrealised (Gain) / Loss on Exchange Rate Fluctuation (Net) | **-** | - |
| | Gain on Actuarial Valuation | **-** | - |
| | Interest and Dividend Income | **(-1.23)** | (0.88) |
| | Exceptional Items | - | (1.05) |
| | **Operating Profit Before Working Capital Changes** | **(121.95)** | (2300.50) |
| | Change in operating assets and liabilities | | |
| | (Inventories)/Decrease in Inventories | **-** | - |
| | (Inventories)/Decrease in trade receivables and other assets | **(1,508.36)** | (13.88) |
| | (Inventories)/Decrease in other financial assets | **47.26** | 941.41 |
| | (Inventories)/Decrease in trade Payables and other payables | **(224.41)** | 2638.48 |
| | **Cash Generated from Operations** | **(1807.52)** | 1265.51 |
| | Extra-ordinary Item | **-** | - |
| | Direct Taxes Paid (including TDS) | **(0.06)** | (0.12) |
| | **Net Cash from/(used in) Operating Activities** | **(1806.59)** | 1265.39 |
| B | **Cash Flow from Investing Activities** | **-** | |
| | Purchase of Fixed Assets (including capital work - in progress) | **(2.77)** | (3.49) |
| | Sale of Fixed Assets / Refund from CWIP Suppliers | **2,243.55** | - |
| | Investment in Associates | **-** | (0.70) |
| | Loans and advances (to)/received subsidiaries | **-** | 3346.66 |
| | Interest and Dividend Income Received | **1.23** | 1.11 |
| | **Net Cash from/(used in) Investing Activities** | **2242.01** | 3343.58 |
| C | **Cash Flow from Financing Activities** | | |
| | Interest & Finance Charges paid | **(0.04)** | (0.01) |
| | Proceeds / (Repayment) from Short Terms Borrowings (Net) | **(434.54)** | (4603.61) |
| | **Net Cash from / (used in)Financing Activities** | **(434.58)** | (4603.62) |
| D | **Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)** | **(0.09)** | 5.35 |
| E | **Opening Cash & Cash Equivalents** | **5.43** | 4.49 |
| F | **Closing Cash & Cash Equivalents (D+E)** | **5.34** | 9.84 |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

(₹ in Lakhs)

| Reconciliation of Cash Flow statements as per the cash flow statement | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Cash Flow statement as per above comprises of the following** | | |
| Cash and cash equivalents | **5.34** | 9.84 |
| Bank overdrafts | **-** | - |
| **Balances as per statement of cash flows** | **5.34** | 9.84 |

Note : Cash and Cash Equivalents at the end of the period includes Rs. 63.50 Lakhs (P Y Rs.59.70 Lakhs) under lien which is not available for use.

As per our separate report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
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DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : June 23, 2021

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

**1. Company information**

The Consolidated financial statements of Edayar Zinc Limited ("the Company") and its subsidiary R. B. G. Minerals Industries Limited, Green Panel Investments LLP collectively referred to as the 'Group' have been prepared in accordance with Ind AS 101, "Consolidated Financial Statements" notified under the Companies

(Accounting Standard) Rules, 2006.

The financial statements are approved for issue by the Company's board of directors on June 23, 2021.

**2. Basis of Preparation of financial statements**

**Compliance with Indian Accounting Standards**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented.

These financial statements for the year ended 31 March 2021 are prepared in accordance with Ind AS.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities (including derivative instruments) at fair value;
- Defined benefit plans – plan assets that are measured at fair value; and
- Land included in PPE are measured at Carrying Value

The financial statements are presented in INR, which is also the Company's functional currency and all amounts are rounded to the nearest Lakhs, unless otherwise stated.

**3. Summary of significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**3.1 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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

**3.2 Foreign currency**

**Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items measured at cost is treated in line with the recognition of the gain or loss on the change in the value of the item (i.e., translation differences on items whose gain or loss is recognised in OCI or statement of profit & loss are also recognised in OCI or statement of profit & loss, respectively).

**3.3 Fair Value Measurement**

The Company discloses fair values of financial instruments measured at amortised cost in the financial statements.

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

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

The Company must be able to access the principal or the most advantageous market at the measurement date.

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

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

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

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

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

**3.4 Revenue recognition**

**Revenue from sales of goods**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and GST. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Revenue from sale of goods is recognized when all the following conditions have been satisfied:

(a) The company has transferred to the buyer the significant risks and rewards of the ownership of the goods;

(b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transaction will flow to the company; and

(e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

**Other Revenue is recognized as follow:**

**Finance Income:**

Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payment or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in other income in the profit & Loss Account.

**Interest Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate application.

**Royalty Income:**

Royalty is recognized on an accrual basis in accordance with the substance of the relevant agreement.

**Dividend**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**3.5 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Qualifying asset are asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the statement of profit & loss in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs is reduced to the extent of income arising from temporary parking of funds in fixed deposits and mutual funds.

The capitalisation of borrowing costs is suspended if there are prolonged periods when active development is interrupted. Interest expense for such period has been charged to statement of profit & loss account.

**3.6 Property, Plant and equipment (PPE)**

**Recognition and initial measurement**

Freehold land is carried at cost. All other items of property, plant and equipment acquired or constructed are initially recognized at cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation and impairment of loss, if any. The cost of Tangible Assets comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use. The present value of the initial estimated cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost (net of revenues during constructions) are disclosed under Capital Work-in-Progress.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

**Subsequent measurement (depreciation and useful lives)**

When significant parts of plant and equipment are required to be replaced at regular intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the statement of profit & loss as and when incurred.

Depreciation on property, plant and equipment (except Office equipment & Transport Equipment) is provided on the straight line method, and others are provided on written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

**De-recognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of profit & loss when the asset is derecognized.

**3.7 Intangible assets**

**Recognition and initial measurement**

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

The useful lives of intangible assets are assessed to be finite. Intangible assets are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The intangibles are depreciated on a straight line basis over a period of 5 Years.

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Depreciation and Amortisation of the assets commences when the assets are ready for their intended use. Depreciation and amortisation ceases when the net book value of the asset is zero or the asset is no longer in use.

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

**3.8 Impairment of non-financial assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For assets an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

**3.9 Inventories**

Raw Materials, Stores and Spares and work in process is valued at lower of weighted average cost (net of ITC) and Net Realizable Value (NRV)

Finished Goods have been valued at lower of cost and net realisable value. Cost for this purpose includes direct cost, attributable overheads.

By-products are valued at estimated selling price.

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

**3.10 Trade Receivable**

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. The carrying value less impairment provision of trade receivables, are assumed to be approximate to their fair values.

**3.11 Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and deposits held at call with banks.

For the purpose of the cash flows statements, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**3.12 Financial Instruments**

**a) Investments and other financial assets**

**i. Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii. Subsequent measurement**

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Investment in subsidiaries**

Investment in subsidiaries is carried at cost less impairment (if any).

**iii. De-recognition**

**A financial asset is derecognised only when:**

i. the rights to receive cash flows from the asset have expired, or

ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**iv. Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The impairment methodology for each class of financial assets stated above is as follows:

Debt investments measured at amortised cost and FVOCI:

Debt investments at amortised cost and those at FVOCI where there has been a significant increase in credit risk, lifetime expected credit loss provision method is used and in all other cases, the impairment provision is determined as 12 months expected credit losses.

Trade receivables and lease receivables from customers: The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which requires the use of the lifetime expected loss provision for all trade receivables and lease receivables.

**v. Offsetting Financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**b. Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, under financial income or financial cost, in the period when they arise.

**c. Share Capital:**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**d. Financial Liabilities**

**i. Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**ii. Initial recognition and measurement**

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

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

**iii. Subsequent measurement**

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

**1) Borrowings:**

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in profit or loss as finance costs.

**2) Trade and other payable:**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and payables are subsequently measured at amortized cost using the effective interest method.

**3) Financial Guarantee Contracts:**

Financial Guarantee Contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially is measured at fair value and subsequently at the higher of the amount determined in accordance with IND AS 37 and the amount initially recognized less cumulative amortization, where appropriate.

The fair value of financial guarantee is determined as the present value of the differences in net cash flows between the contractual payments under the debt instruments and the payments that would be required without the guarantee, for the estimated that would be payable to third party for assuming the obligation.

There is a restriction in the agreements executed with the financial instruments for charging of guarantee commission for guarantees given.

**iv. De-recognition**

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

**3.13 Income tax**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.14 Employee Benefits**

**a) Short-term / long term obligations**

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

**b) Defined contribution plan**

Contributions to defined contribution schemes such as provident fund, Employees State Insurance and Pension Plans are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable, during the year in which the employee renders the related service.

**c) Defined benefit plan**

**i) Gratuity :**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond and that have terms to maturity approximating to the terms of the related gratuity.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**ii) Other Long term employee benefits:**

The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the statement of profit or loss in the period in which the absences occur.

The Company has a scheme for payment of Loyalty on retirement to eligible employees. The scheme is unfunded. The expected cost of loyalty obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method. Expense on loyalty obligation is recognized in the statement of profit or loss in the period in which they occur.

**3.15 Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

**Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

**Contingent Assets**

Contingent assets is disclosed where an inflow of economic benefit is probable.

**3.16 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**3.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**3.18 Critical accounting estimates and judgements**

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Impairment of Non-Financial Assets**

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

In assessing the value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded subsidiaries or other available fair value indicators.

**(b) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rate. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(c) Defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**(d) Income taxes**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate.

**Recoverability of advances /receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**3.19 Standards issued but not yet effective and have not been adopted early by the Company**

**a.) Ind AS 7, 'Statement of Cash Flows**

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 (the 'Amendment rules') on 17 March 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

These amendments shall come into force on the 1st day of April, 2017 and Company shall apply the amendments in its financial statements for annual periods beginning on or after 1 April 2017.

During initial application of the amendment in Ind AS 7, Company will have to give reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

These amendments are mandatory for the reporting period beginning on or after April 01, 2017.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

### Note 4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Leasehold Land | Freehold Land | Buildings | Mapes & Periodicals | Survey Instruments | Plant and Machinery | Furniture & Office Equipments, Other Equipments | Motor Vehicle | Total PPE | CWIP | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year ended 31 March 2019 | | | | | | | | | | | |
| Opening Gross Block as on April 01, 2019 | 306.59 | 133.60 | 1,625.32 | 2.76 | 0.68 | 22,950.70 | 204.32 | 146.37 | 25,370.34 | 3,228.66 | 28,599.00 |
| Additions | - | - | - | - | - | - | - | - | - | 3.26 | 3.26 |
| Decuctions and adjustments | | | | | | | | | | - | |
| **Closing Gross Carrying amount- As at March 31, 2020** | 306.59 | 133.60 | 1,625.32 | 2.76 | 0.68 | 22,950.70 | 204.32 | 146.37 | 25,370.34 | 3,231.92 | 28,602.26 |
| **Depreciation and impairment** | | | | | | | | | | | |
| Accumulated Depreciation as on April 01, 2019 | - | - | 1,249.30 | 2.62 | 0.64 | 18,199.86 | 198.97 | 144.41 | 19,795.80 | - | 19,795.80 |
| Depreciation Charge for the year 2019-20 | - | - | 25.18 | - | - | 318.77 | 0.41 | - | 344.36 | - | 344.36 |
| Depreciation Charge on Disposals/ transfers for the year 2019-20 | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | - | - | 1,274.48 | 2.62 | 0.64 | 18,518.63 | 199.38 | 144.41 | 20,140.16 | - | 20,140.16 |
| **Net carrying amount as on 31st March 2020** | 306.59 | 133.60 | 350.84 | 0.14 | 0.03 | 4,432.07 | 4.94 | 1.96 | 5,230.17 | 3,231.92 | 8,462.10 |
| **Year ended 31 March 2020** | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | |
| Opening Gross Block as on April 01, 2020 | 306.59 | 133.60 | 1,625.32 | 2.76 | 0.68 | 22,950.70 | 204.32 | 146.37 | 25,370.34 | 3,231.92 | 28,602.26 |
| Additions | - | - | - | - | - | - | - | - | - | 2.78 | |
| Decuctions and adjustments | - | - | 1,110.95 | - | - | 22,780.56 | 151.70 | 146.37 | 24,189.89 | | 24,189.89 |
| Accumulated Depreciation as on April 01, 2020 | 306.59 | 133.60 | 514.06 | 2.76 | 0.68 | 170.14 | 52.62 | - | 1,180.45 | 3,234.70 | 4,412.37 |
| **Depreciation and impairment** | | | | | | | | | | | |
| Accumulated Depreciation as on April 01, 20120 | - | - | 1,274.48 | 2.62 | 0.64 | 18,518.63 | 199.38 | 144.41 | 20,140.16 | - | 20,140.16 |
| Depreciation Charge for the year 2020-21 | - | - | 5.28 | - | - | 0.59 | 0.05 | - | 5.92 | - | 5.92 |
| Depreciation Charge on Disposals/transfers for the year 2020-21 | - | - | 821.75 | - | - | 18,359.87 | 148.76 | 144.41 | 19,474.79 | - | 19,474.79 |
| **As at March 31, 2021** | **-** | **-** | **458.01** | **2.62** | **0.64** | **159.35** | **50.67** | **-** | **671.29** | **-** | **671.29** |
| **Net carrying amount as on 31st March 2021** | **306.59** | **133.60** | **56.05** | **0.14** | **0.03** | **10.79** | **1.95** | **-** | **509.48** | **3,234.70** | **3,741.08** |

***The projects in progress is net of some equipemnts taken away by the suppliers on account of non payment of their dues**

**NOTES:**

**4.1 (a)** Furniture and fixtures include office equipments, the amount which is not material.

**4.1 (b)** The plant was not operational during the entire financial year. However, normal depreciation has been charges to all the assets. The mortgaged assets viz Land & Building, Plant and Machinery including the inventory has been physically taken over by the consortium of banks led by Punjab National Bank in July 2019. The Company has entered into a One Time Settlement with the Banks wherein the OTS will be paid out of sale proceeds of the mortgaged assets. The approval for utilisation of the proceeds in terms of Section 26E of the SARFESI Act 2002 was obtained vide DRT III order dated February 13, 2020. An agreement has been executed with M/s. Fine Fab Engineering and Construction for sale of the movable and immovable plant and machinery and inventory as scrap for value. The buyer has also paid an amount of ₹ 1150 lakhs directly to the bank. The bank has issued a sales certificate for ₹ 426 lakhs.

The Company has also entered into an agreement with m/s Mina Ventures Private Limited (MVPL) for sale of land. M/s MVPL has paid Rs.1500 lakhs directly to the bank towards purchase of land and the bank has issued a receipt for the same.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO.5 - INTANGIBLE ASSETS** (₹ in Lakhs)

| PARTICULARS | Goodwill | Computer Software | Total |
|---|---|---|---|
| **Net Carrying Amount as at March 31, 2019** | | | |
| Gross carrying amount | | | |
| **As at April 01, 2019** | 5.39 | 8.41 | 13.80 |
| Additions | | - | - |
| Adjustments- Binani Cement Loss of control | | - | - |
| **As at March 31, 2020** | 5.39 | 8.41 | 13.80 |
| **Accumulated amortisation and impairment** | | | |
| As at April 01, 2019 | - | 8.24 | 8.24 |
| Depreciation charged During the year | | 0.17 | 0.17 |
| Foreign currency translation reserve | | - | - |
| Impairment charge | | - | - |
| **As at March 31, 2020** | **-** | **8.41** | **8.41** |
| **Net Carrying Amount as at March 31, 2020** | **5.39** | **-** | **5.39** |
| **Gross carrying amount** | | | |
| As at April 01, 2020 | **5.39** | **8.41** | **13.80** |
| Additions | | **-** | **-** |
| Foreign currency translation reserve | | **-** | **-** |
| Sales/Transfers/Adjustments during the period | **-** | **-** | **-** |
| **As at March 31, 2021** | **5.39** | **8.41** | **13.80** |
| **Accumulated amortisation and impairment** | | | |
| As at April 01, 2020 | **-** | **8.41** | **8.41** |
| Depreciation charged During the year | | **-** | **-** |
| Foreign currency translation reserve | | **-** | **-** |
| Impairment charge | **5.39** | **-** | **5.39** |
| **As at March 31, 2021** | **5.39** | **8.41** | **13.80** |
| **Net Carrying Amount as at March 31, 2021** | **-** | **-** | **-** |

**Note - 6 NON CURRENT INVESTMENT**

| PARTICULARS | Face value | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|---|
| | | No. of shares/Units | Rupees in lakhs | No. of shares/Units | Rupees in lakhs |
| **NON CURRENT INVESTMENTS** | | | | | |
| **Investment in Equity Instruments (Fully paid up)** | | | | | |
| **Unquoted** | | | | | |
| Other Investment | | | | | |
| Investment in Equity Instrument of Other Companies, Fully paid up | | | | | |
| 175000 (previous year 175000 shares of ₹10 each) Kerala Enviro Infrastructure Limited | 10 | 1,75,000 | **17.50** | 1,75,000 | 17.50 |
| Investment in Associates | | | | | |
| 70% Share in Green Panel Investment LLP | | | **0.70** | | 0.70 |
| **Total** | | | **18.20** | | 18.20 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**Note - 7 OTHER FINANCIAL ASSETS** (₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Security Deposit | | | | |
| -Term Deposits | | | | |
| Advance Recoverable in Cash | | | | |
| Interest Receivable | | | | |
| Insurance and Other Claims Receivable | | | | |
| Others (including Unbilled Revenue) | **3.87** | 3.45 | | |
| **Total** | **3.87** | 3.45 | - | - |

**Note 8:-. OTHER NON CURRENT ASSETS** (₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Capital advances | **244.42** | 244.42 | | |
| Other Advances and Prepaids | **-** | - | | |
| Balances with statutory authorities | **5.10** | 5.10 | **0.22** | 0.22 |
| **Total Other Assets** | **249.52** | 249.52 | **0.22** | 0.22 |

**Note - 9 TAX ASSETS (NET)** (₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Advance Payment of Income Tax (Net) | **17.92** | 17.86 | **-** | - |
| **Total** | **17.92** | 17.86 | **-** | - |

**Note 10:- INVENTORIES** (₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Raw Material and Packing Material | **1,421.18** | 1,421.18 |
| Stock - In - Process | **304.09** | 304.09 |
| Finished Goods | **6.96** | 6.96 |
| Stores and Spares parts and Fuel | **903.83** | 903.83 |
| Stores and Spares- in transit | **-** | - |
| Loose Tools | **-** | - |
| **Total inventories** | **2,636.06** | 2,636.06 |

**10.1 Method of valuation of Inventories - Refer Note 10.4 & 10.5**

**10.2 BREAK - UP OF INVENTORIES OF FINISHED GOODS** (₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Zinc Ingots | **0.00** | 0.00 |
| Sulphuric Acid | **3.97** | 3.97 |
| Zinc Alloy | **2.99** | 2.99 |
| Total | **6.96** | 6.96 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**10.3 BREAK - UP OF INVENTORIES OF WORK IN PROGRESS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Calcine | **299.99** | 299.99 |
| Zinc Dust | **4.10** | 4.10 |
| **Total** | **304.09** | 304.09 |

**10.4** Raw materials and WIP valuation – Bankers led by Punjab National bank has taken Physical possession of the assets. Also refer to note 4.1(b)

**10.5** Finished Goods Valuation – Bankers led by Punjab National bank has taken Physical possession of the assets. Also refer to note 4.1(b)

**NOTE NO. 11 -TRADE RECEIVABLES**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Unsecured Considered, Considered Good | | |
| Other Debts | **1,508.17** | - |
| **Total** | **1,508.17** | - |

**Note 12. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Balances with banks | | |
| - in current accounts | **5.28** | 5.37 |
| - in deposits account with original maturity of less than three months | **-** | - |
| - Cheques, Drafts on hand | **-** | - |
| Cash on hand | **0.06** | 0.06 |
| Total cash and cash equivalents | **5.34** | 5.43 |

**Note :-12.1 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(` in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Deposits with original maturity of more than three months but less than twelve months | **-** | - |
| Unclaimed dividend | **-** | - |
| Restricted Bank Balances | **-** | - |
| Bank Deposits Other Restrictive Balances | **4.41** | 4.41 |
| Bank Deposits Held as Margin Money | **-** | - |
| **Total cash and cash equivalents other than (iii) above** | **4.41** | 4.41 |

The Bankers have adjusted the amount against their dues on 15th February 2019.

**Note - 13 LOANS**

(₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Unsecured, Considered Good | | | | |
| Loans and advances to related parties (unsecured Considered good) | | | | |
| Due from Holding Company | | | | |
| - Inter Corporate Deposit with Binani Industries Ltd | | | **-** | 0.34 |
| **Total** | **-** | - | **-** | 0.34 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**Note - 14 OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Security Deposit | | | **120.94** | 121.75 |
| -Term Deposits | | | **-** | - |
| Advance Recoverable in Cash | | | **1,239.34** | 1,252.34 |
| Interest Receivable | | | **0.33** | 0.14 |
| Insurance and Other Claims Receivable | | | **-** | - |
| Others (including Unbilled Revenue) | | | **-** | 0.34 |
| Total | | | **1,374.57** | 1,360.61 |

**Note 15:-. OTHER CURRENT ASSETS**

(₹ in Lakhs)

| PARTICULARS | Non Current | | Current | |
|---|---|---|---|---|
| | **As at March 31,2021** | As at March 31,2020 | **As at March 31,2021** | As at March 31,2020 |
| Capital advances | | | **-** | - |
| Other Advances and Prepaids | | | **-** | - |
| Balances with statutory authorities | | | **2,211.22** | 2,272.47 |
| **Total Other Assets** | | - | **2,211.22** | 2,272.47 |

**Note no. 16 - EQUITY SHARE CAPITAL**

(₹ in Lakhs)

| PARTICULARS | | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|---|
| **Authorised** | | | |
| 7,50,00,000 (Previous Year 7,50,00,000) Equity Shares par value of ₹ 10 each | | **7,500.00** | 7,500.00 |
| | **Total** | **7,500.00** | 7,500.00 |
| Issued Subscribed and Fully paid up : | | | |
| 6,76,18,082 (Previous year 6,76,18,082) equity shares par value of ₹ 10 each | | **6,761.81** | 6,761.81 |
| | **Total** | **6,761.81** | 6,761.81 |

**Note no. 16 (i) - RECONCILIATION OF NUMBER OF SHARES**

(₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | | Year Ended 31st March, 2020 | |
|---|---|---|---|---|
| No of shares Outstanding at the beginning of the year | 6,76,18,082 | 6,761.81 | 6,76,18,082 | 6,761.81 |
| No of shares Outstanding at the end of the year | 6,76,18,082 | 6,761.81 | 6,76,18,082 | 6,761.81 |

**16(ii) - Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2020, the amount of dividend proposed for distribution to equity shareholders is Rs. NIL per share (previous year – Rs. Nil per share)In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**16(iii)** - Number of shares held by Holding Company, Binani Industries Limited are given in Note 16(iv) below.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**16(iv) -** Details of Shareholders holding more than 5% shares in the Company as at the end of the period:

(₹ in Lakhs)

| NAME OF SHAREHOLDER | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | % of Holding | No of Shares | % of Holding | No of Shares |
| Binani Industries Limited | **89.90%** | **6,07,88,138** | 89.90% | 6,07,88,138 |

**NOTE NO. 17 - OTHER EQUITY**

(₹ in Lakhs)

| PARTICULARS | Reserves and Surplus<br>Retained Earnings | Attributable to the equity holders of the parent |
|---|---|---|
| Balance at the beginning of the reporting period | **(21,681.81)** | (19,038.12) |
| Changes in accounting policy or prior period errors | **-** | - |
| Restated balance at the beginning of the reporting period | **-** | - |
| Total Comprehensive Income for the year | **-** | - |
| Transfer to retained earnings | **(126.68)** | (2,643.68) |
| Balance at the end of the reporting period | **(21,808.48)** | (21,681.80) |

**Note 18:- CURRENT BORROWINGS**

(₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| **Secured** | | |
| Cash Credit from Bank | **17,626.09** | 19,842.44 |
| Secured | | |
| **Unsecured** | | |
| Other Loan | **2,243.75** | 461.94 |
| **Total current borrowings** | **19,869.84** | 20,304.38 |

**18(I(a)** Punjab National Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) has declared the account as NPA w.e.f. June 30,2014 and in case of Punjab & Sind Bank, it was w.e.f. September 30,2014. Interest on bank loan has not been charged in books from April 01, 2016. The company has entered into an One Time Settlement with the Lenders for Rs.17500 lakhs payable over a period of twelve months with interest as per RBI circular. The interest payable is backended and no interest is being provided. The exact benefit of the OTS will be recognised upon realisation.

**18(I(b)** During the year 2019-20, an amount of Rs. 4271.90 lakhs has been repaid towards the One Time Settlement. As per the DRT order dated August 12,2016, the Company has paid Rs. 323.75 lakhs till March 31,2019 and the same has been adjusted by the banks against their dues. In addition, the Banks in FY 2019 adjusted the Fixed deposit proceeds of Rs. 216.99 lakhs against their dues. The company had requested the Banks to adjust the same against the Principal dues. The OTS has been arrived at after adjusting the amounts paid as per the DRT order.

**18(I(c)** Cash credit / Temporary over draft are secured by paripassu first charge by was hypothecation of the whole of the current assets of the company viz. stocks of raw materials, packing aerials, stock in process, semi finished and finished goods, consumables stores and spares export / local bills receivable, book debts, movable plant and machinery, stores and spares relating to the machinery and other movables belonging to the company, both present and future paripassu second charge on the fixed assets of the Company located at Binanipuram, Kerala and by way of Corporate Guarantee of Binani Industries Limited, the Holding Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**18(I(d)** Period and amount of default as on the balance sheet date in respect of devolved letter of credit and bank guarantee invoked excluding interest is below:-

| PARTICULARS | 31st March, 2021 (₹ in Lakhs) | Period (In months) |
|---|---|---|
| L/C Devolved during 2013-14 * | 4,141.12 | 73 |
| | 4,881.83 | 73 |
| L/C Devolved during 2014-15 * | 4,581.98 | 70 |
| | 5,401.33 | 68 |
| | 4,645.19 | 64 |
| B/G Invoked during 2015-16 | 115.82 | 54 |
| | 16.10 | 54 |
| | 13.63 | 54 |
| | 157.13 | 54 |
| | 20.30 | 49 |
| | 30.30 | 49 |
| B/G Invoked during 2019-20 (K VAT) | 46.13 | 3 |

Cash credit includes outstanding as on March 31, 2020 against the L/Cs devolved of Rs. 16587.21 lakhs (PY Rs.16587.21 lakhs) and Rs. 399.41 lakhs against Bank Guarantee (PY Rs.353.28 lakhs).

* The amount represents full amount of LCs opened. A portion of the amount was paid out of margin Money deposit available with the Banks.

**Note:-19. TRADE PAYABLES** (₹ in Lakhs)

| PARTICULARS | 31st March 2021 | 31st March 2020 |
|---|---|---|
| Trade Payables (including acceptances & Provisions) | **164.13** | 157.41 |
| **Total** | **164.13** | 157.41 |

**19 (a) Amount Due to Micro and Small Enterprises**

(i) The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Company could identified two MSME as mentioned in note 19 (ii) (a) and 19 (iii)

(ii) (a) Chemical Process Ltd filed petition before Micro small and medium Enterprises Facilitation Council, Konkan Division under section 18 (1) of Micro, Small and medium Enterprises Development Act 2006 claiming outstanding amount of Rs. 281.72 lacs against the supply of product as per the contract dated 21st June 2013 for "Design, engineering, fabrication, testing, supply, supervision, commissioning assistance of FRP reactor for Tamzinco Project. BZL filed reply before the Facilitation Council on the ground that BZL is a sick company and its case is registered with the BIFR. BZL further stated that protection under section 22 (1) of SICA is available immediately after registration of reference with BIFR. Since BZL proceedings are still pending with BIFR, proceedings under Micro, Small and medium Enterprises Development Act 2006 can only be initiated with prior consent from BIFR or the appellate authority. This was turned down.

(ii) (b) M/s Chemical Process Equipments Pvt Limited an MSE had approached Mico and Samll Enterprises Facilitation Council, Mumbai Region, Directorate of Industries, Government of Maharashtra for their claims and the latter has vide their order dated January 10, 2018 ordered the Company that "Respondent is required to pay to the Petitioner Rs. 281.72 lakhs alongwith interest on each and every due amount of the invoice when become payable after deducton of 30 days till the realization of the amount to the Petitioner. " As banks have taken action under SARFESI and is under symbolic possession of the Banks w.e.f 21st July 2016 and physical possession from 23rd July 2019, no interest has been charged or considered in the Profit and Loss Accounts statements.

(iii) (iii) LADCO Galvanizers Pvt Limited has filed case with MSME counsel having registered office at SIPCOT. The amount outstanding is Rs. 5.58 lakhs as per our books of accounts. However they have claimed an outstanding of Rs. 5.62 lacs and interest of Rs. 4.69 lacs. matter is sub- judice. As banks have taken action under SARFESI and is under symbolic possession of the Banks w.e.f 21st July 2016 and physical possession from 23rd July 2019, no interest has been charged or considered in the Profit and Loss Accounts statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**Note:-20. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

| Particular | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Security and other deposits | | 61.48 | | 61.48 |
| Creditors for capital expenditure | | 297.22 | | 297.22 |
| Advance from Custmer | | 80.89 | | 80.89 |
| Retention Money Payable | - | 265.10 | | 265.10 |
| Employees dues payable | | - | | 2,915.16 |
| Deposit by Promoters | | - | | - |
| Others | | 3,036.81 | | 704.69 |
| **Total other financial liabilities** | - | 3,741.50 | - | 4,324.54 |

**Note:-21. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Government Grants | | |
| Advance from Customers | - | - |
| Other Liabilities (including Statutory dues and payable for Capital expenditure) | 2,316.10 | 924.07 |
| **Total other current liabilities** | 2,316.10 | 924.07 |

**Note 22:- PROVISIONS**

(₹ in Lakhs)

| Particular | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Other Provisions** | | | | |
| Provision for regulatory matters | - | | | |
| Provision for Site Restoration Obligations | - | - | | - |
| For Current Tax | - | | - | |
| Others Provision | - | - | | - |
| Employee Benefit Obligations | | | | |
| For Gratuity (Refer Note -36) | - | 255.00 | | 255.00 |
| For leave encashment | - | 29.64 | | 29.64 |
| For other Retirement benefits | - | 2,888.37 | | 3,933.70 |
| For Bonus | - | | 0.12 | |
| **Total employee benefit obligations** | - | 3,173.01 | 0.12 | 4,218.46 |

**NOTE NO. 22 (a)**

The Company has not operated the plant from November 27,2014. An application for closure of the plant was made to the Government of Kerala on Jun 12, 2015 and the same was rejected without granting us an opportunity to the heard. On October 16, 2015, the Labour secretary rejected the review petition filed under Section 25(O)(5) of the Industrial disputes Act, 1947. Consequently, the Company filed a writ Mandamus in High court of Kerala seeking directive to refer the matter for adjudication. Under the circumstance, the entire provisions for employee benefits has been classified as short term liability. Some of the employees have filed a case for payment of their full and final dues.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**Note 23 :- REVENUE FROM OPERATIONS** (₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Revenue From Sale of Products | | |
| Unwrought Zinc | - | - |
| Aluminum & Zinc Alloys | - | - |
| Sulphuric Acid | - | - |
| Other operating revenues | - | - |
| **Total Revenue from Operations** | - | - |

**NOTE NO. 23(a)**

In the matter of Kerala state Pollution control Board, High Court of Kerala State Pollution Control Board order dated March 27,2019 constituted a committee with the district collector at the helm of affairs and removal of all hazardous materials is being done in a phased manner. A detailed report shall be filed as to steps taken in this regard by the Pollution control Board. (also see Note 23(C))

**NOTE NO. 23(b)**

For the year 2017-18 sale of sulphuric acid and waste oils was effected pursuant to Kerala State Pollution Control Board order No PCB/ESC/CO-11/07 dated February 25,2017 directing the sales/ disposal of certain materials incuding sulphiruc acid, diesel oils etc. In terms of the said order, we have sold sulphuric acid and waste oils and the proceeds has been recognised as income in the books of 2017-18.

**NOTE NO. 23(C)**

Pursuant to the order dated December 06,2018, of the honourable High court of Kerala, Ernakulam, in respect of WP (c) no. 22772 of 2018, the Kerala State Pollution control Board (KSPCB) has sold a. 2792.79 MT of Zinc Sulphate Solution (Strong), 623 .53 MT of Zinc Sulphate (Weak) and 275.69 MT of Zinc Sulphate Crystals amounting to Rs. 187.29 Lakhs plus GST of Rs. 33.71 Lakhs (Total Sales of Rs. 221 Lakhs) in 2019-20. b. 1171.39 MT of zinc sulphate solution (strong) and 250 kg of copper sulphate amounting to Rs. 70.32 lakhs plus GST of Rs.12.66 lakhs (Total sales of Rs.82.98 lakhs) in 2018-19. Bill has been issued by KSPCB and separate GST number in the name of KSPCB has been obtained. The sale proceeds have been deposited by KSPCB in a separate account opened by them in their name. pending receipt of necessary documents / complete information from them, we have not recognised sale of goods in FY 2018-19 and FY 2019-20. The company has applied for receiving the proceeds.

**Note 24 :- OTHER INCOME** (₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Dividend Income | **0.81** | 0.88 |
| Interest Income | - | - |
| Liabilities No longer required Written Back | - | 11.74 |
| Gain on Acturial Valuation | | |
| Interest on Income Tax refund | - | 0.20 |
| Other Miscellaneous Income | - | (11.94) |
| Total Other Income | **0.81** | 3.54 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 25 - CHANGES IN INVENTORIES OF RAW MATERIALS, WORK-IN PROCESS, FINISHED GOODS & STORE & SPARE PARTS (Refer Note No 10)**

(₹ in Lakhs)

| PARTICULARS | | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **Inventories as at the beginning of the year** | | | |
| Raw Materials | | **1,421.18** | 1,421.18 |
| Work -In Process | | **304.09** | 304.09 |
| Finished Goods | | **6.96** | 6.96 |
| Store & Spare Parts | | **903.83** | 903.83 |
| | **Total** | **2,636.06** | 2,636.06 |
| **Inventories as at the end of the year** | | | |
| Raw Materials | | **1,421.18** | 1421.18 |
| Work -In Process | | **304.09** | 304.09 |
| Finished Goods | | **6.96** | 6.96 |
| Store & Spare Parts | | **903.83** | 903.83 |
| | **Total** | **2,636.06** | 2,636.06 |
| **Changes in Inventories** | | | |
| Raw Materials | | **-** | - |
| Work -In Process | | **-** | - |
| Finished Goods | | **-** | - |
| Store & Spare Parts | | **-** | - |
| | **Total** | **-** | - |

**Note 26:- EMPLOYEE BENEFIT EXPENSE**

(₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Salaries and Wages | **-** | - |
| Contribution to Provident and other Funds | **-** | - |
| Workmen and Staff welfare expenses | **-** | - |
| **Total Employee Benefit Expense** | **-** | - |

**NOTE NO. 26(a) :** The company has entered into settlement with the workers vide agreement dated February 06, 2018 read with the Addenum dated 16/03/2020 for a consolidated amount of Rs. 2724.04 lakhs with applicable Interest. Against this amount the Company has paid Rs.494 lakhs.

**NOTE NO. 26(b)** : The company is in receipt of a settlement agreement with contract labourers duly signed by the District Labour Officer and district Conciliatory Officer dated April 11, 2018 for an amount of Rs 2 crore; the payment for which falls due within 120 days from the date of the settlement agreement and delay in payment shall attract interest @ 7% p.a. till the date of payment.Against this amount the Company has paid Rs.81 lakhs.

**NOTE NO. 26 (c):** Managerial staff has been retrenched as on 31st July, 2015, Retrenchment compensation has been provided. Against this amount the Company has paid Rs.16.15 lakhs.

**Note 27 :- DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Depreciation on Tengible Assets | **5.50** | 343.93 |
| Depreciation on intengible Assets | **0.42** | 0.42 |
| Total Depreciation and Amortisation | **5.92** | 344.35 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**Note 28 :- FINANCE COST**

(₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Interest expenses | - | - |
| Other borrowing costs | 0.04 | 0.01 |
| Total Finance Cost | 0.04 | 0.01 |

**Note 29 :- GENERAL ADMINISTRATION AND OTHER EXPENSE**

(₹ in Lakhs)

| PARTICULARS | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|---|---|---|
| Power & Fuel | 1.80 | 1.36 |
| Freight & Forwarding | - | - |
| Freight And Loading Expenses On Clinker Transfer | - | - |
| Consumption Of Stores And Spares | - | - |
| **Repairs And Maintenance** | | |
| Buildings | - | - |
| Plant And Machinery | 0.07 | - |
| Others | 13.16 | 5.06 |
| Other Operating Expenses | - | - |
| Rates And Taxes | 43.10 | 12.69 |
| Insurance | - | - |
| Advertisement And Sales Promotion | 0.89 | - |
| Commission To Selling Agents | - | - |
| Travelling & Conveyance | 1.20 | 2.92 |
| Communication Cost | 0.14 | - |
| Legal And Professional Fees | 25.42 | 80.36 |
| Directors Fee | 0.85 | 2.40 |
| Payment To Auditors **( Refer Note - 30 (i) )** | 1.00 | 1.15 |
| Foreign Exchange Fluctuation (Gain) / Loss (Net) | - | - |
| Loss On Sale / Discard Of Fixed Assets | - | - |
| Miscellaneous Expenses | 33.90 | 2,193.51 |
| **Total Other Expenses** | 121.53 | 2,299.45 |

**Note 29 (i):- AUDITORS REMUNARATION**

(₹ in Lakhs)

| Particular | 31 March, 2021 | 31 March, 2020 |
|---|---|---|
| Payment to auditors | | |
| Statutory auditors | | |
| a) For Audit fees | 0.65 | 1.15 |
| b) For Taxation Matters | 0.00 | - |
| c) For Other Services | 0.35 | - |
| d) Out of pocket expenses | 0.00 | - |
| **Total** | 1.00 | 1.15 |

**NOTE NO. 29(ii)**

In the financial year 2017-18, KSEB has raised a demand vide letter dated 19/02/2018 for payment of Rs. 4935 lakhs being arrears of electricity charges w.e.f. April 2014. The Company was also eligible for a refund of Rs. 22.92 lakhs based on Government of Kerala refund of Electricity Duty Order No. GO(Ms.) No.10/2016/PD dated 22/04/2016.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

KSEB was to correct the bills and accounts consequent upon High Court Order dated 25th March 2013 (WA No. 336 of 2010).

The Company has requested for reduction in the contract demand in February 2015 for reduction to 1500 KVA and thereafter requested for further reduction to 300 KVA pursuant to the spot inspection done by KSEB in October 2015.

The Kerala Electricity Supply code, 2014 contains provisions for disposal of application for reduction of contract demand in a time bound manner i.e. 45 days in case of EHT connection. Regulation 60 of the said code also states that if the applicant fails to avail supply due to reasons beyond its control, the applicant shall not be liable to pay any compensation or charges for such failure.

KSEB's letter dated 05/04/2016 stated " As per Regulation in Supply Code 2014, the licensor is bound to reduce the Contract Demand as requested by the consumer. The KSEB has already directed the agreement authority to reduce the Contract Demand and the compliance from the agreement authority in this regard is not received till date. Thereafter the bills already issued will be revised and the excess payment made if any, will be adjusted in the arrears."

Due to reasons beyond the control, the Company could not operate the plant and therefore could not utilize the contract demand. Therefore the Company should not be held liable for fixed component of the contract demand. The charges on the contract demand are penalty in nature. The Company has requested KSEB to withdraw the same from the month of February 2015

Kerala State Electricity Board have been raising electricity bills based on minimum payable contract demand (75% of 18mva) even though the plant has been shut since November 2014. The Company has made written representations before the Board to reduce the contract demand to 1.5mva from February 2015 and has been paying based on minimum payable of this contract demand from July 2015 onwards. KSEB has appointed a committee to study the matter which has recommended refixation of CD as 300kva. Company therefore submitted fresh application in December 2015. The Company has been effecting payments based on 300kva CD. KSEB has given a written confirmation that bills will be reworked as soon as they complete their internal procedures.

KSEB has raised a demand vide letter dated 19th February 2018 for payment of Rs. 49,35,29,508/- being arrears of electricity charges w.e.f April 2014. The notice states that in case the amount is not paid on or before March 24, 2018, supply shall be dismantled without any further notice. There is a cash deposit of Rs. 7.08 crore in October 2017 bill apart from Cash deposit in bund pump bill of Rs. 1.17 lakhs It is however, not clear as to whether or not KSEB has adjusted the amount especially when we have shifted to LT from EHT. Refund of Electricity Duty was approved as per Government of Kerala GO (Ms.) No.10/2016/PD dated April 22, 2016 of Rs. 22.92 lakhs. High Court vide Order dated 25th March 2013 (WA No.336 of 2010) stated that installation of additional rectifier and consequent no increase in the contract demand as rectifier is only a power transmitting equipment. Accordingly, KSEB was to revise the Bills for the period June 2004 till March 2013. Pending reconciliation / clarification / refund from KSEB, the income / demand has not been recognized in the books of accounts.

The Company vide its letter dated 28th November, 2018 raised a counter claim of Rs. 6.42 Crores to KSEB. Against the Writ Petition ÀÛ'Üled by the Company, the High Court of Kerala vide order dated November 26, 2020, ordered an interim stay upon payment of ' 529 lakhs. This amount has been paid. The matter is sub-judice.

**NOTE NO. 29(iii) :** In the matter of writ filed by Mr. P.E. Shamsudheen in which the Kerala High Court on 4th January, 2016 passed interim order against shifting of plants, machineries and equipment from factory till disposal of writ petition. Mr. P E Shamsudheen has vide Order dated 27th March, 2019 withdrawn the petition.

Kerala Water Authority has demanded payment of the following:-

| **Particulars** | **Amount (₹)** |
|---|---|
| Deposit for supplying of water to existing residences (516 in number) in ward No. 15 of Kadungallor Panchayat as per agreement dated 9th March 2005. (Net of deposit of ₹ 16,02,635 vide cheque dated 8/8/2006 of South Indian Bank) | 35,98,645 |
| Incremental deposit as per revision of water charges for 10KL for 516 connections for the period October 2010 till march 2018* | 9,28,800 |
| Dues for water connection upto February 15, 2018 | 8,31,139 |
| Additional demand of kadungaloor Panchayat as discussed in meeting dated 28th December 2017 where the beneficiaries are increasing the number of beneficiaries to 550 from 516 (calculation to be understood) | 6,85,440 |
| Additional deposit for future tariff increases | 52,01,280 |
| Pending water dues of 516 families after deduction of payment by EZL till November 2017 | 21,44,523 |
| **Total** | **1,33,89,827** |

* Delay in deposit of this amount would entail payment of ₹ 10,320 per month.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

1. The company has already paid for the deposit of water charges for supply of 10KL per month for 540 houses in Edayar Kadungalloor Panchayat ward No.28 (former ward No.15). Total amount paid as deposit is Rs. 31.56 lakhs. The amount has been reconciled with the Kerala Water Authority
2. During the year 2020-21, the Company paid Rs.11 lakhs (arrived at after considering the deposit of Rs. 31.56 lakhs which was missed to be recognized by the KWA) to the Kerala Water Authority and presently there is nothing due as on date.
3. The incremental deposit for water in excess of 10 KL per month will be claimed by the KWA from the beneficiaries.

### NOTE NO. 30 - EXCEPTIONAL ITEMS

(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Salary & Wages payable as per Agreement | | |
| Unutilised Tax credit | | |
| Prior Period Items | - | - |
| **Total** | - | - |

### NOTE NO. 31 - EARNINGS PER SHARE (BASIC/DILUTED)

**Earnings Per Share (Basic/Diluted) - Before Excluding Extraordinary Items**

(₹ in Lakhs)

| PARTICULARS | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Loss for the year as per Statement of Profit and Loss (Rs.Lakhs) | **(126.68)** | (2,643.68) |
| Weighted Average number of Equity Shares of Rs.10/- each (fully paid) (In Numbers) | **6,76,18,082** | 6,76,18,082 |
| **Earnings Per Share (Basic/Diluted) (Rs)** | **(0.19)** | (3.91) |

### NOTE NO. 32 - ASSETS PLEDGED AS SECURITY

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Current (First charge/ Second charge/ Exclusive Charge)** | | |
| **Financial Assets** | | |
| First Charges | | |
| Trade receivables | - | - |
| Cash and cash equivalents | **5.34** | 5.43 |
| Other Bank balances | **4.41** | 4.41 |
| Loans | - | - |
| Other financial assets | **1,374.57** | 2,302.25 |
| Other current assets | **2,211.22** | 2,245.80 |
| Non Financial Assets | | |
| Inventories | **2,636.06** | 2,636.06 |
| **Total current assets pledged as security** | **6,231.59** | 7,193.94 |
| **Non-Current (First charge/ Second charge/ Exclusive Charge)** | | |
| **First Charges** | | |
| Factory Land (108.59 Acres) | **29.70** | 29.70 |
| Buildings, Plant & Equipments & Furnitures* | **5,537.8** | 5,506.1 |
| **Total non-current assets pledged as security** | **5,567.54** | 5,535.81 |
| **Total assets pledged as security** | **11,799.13** | 12,729.75 |

* The Company had given third party first charge on Fixed Assets in favour of EXIM Bank of India who is lender to Binani Industries Limited (Holding company) for the loan of Rs. 31670.17 lakhs (outstanding as on March 31, 2018). Binani Cement Limited another subsidairy of Binani Industries Limited has also given corporate gaurantee for the said facility. Exim Bank invoked the gaurantee of Binani Cement Limited and as per the NCLAT order dated 14th November 2018, Exim Bank of India was paid off Ultratech Nathdwara Cement Limited (Foremerly known as Binani Cement Limited ). The Guarantees no more exist.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**CONSOLIDATED STATEMENT SHOWING RELATED PARTY DISCLOSURE AS PER AS 18 ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED)**

**NOTE NO. 33 - RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ in Lakhs)

| Particulars | Basis/ Details | Subsidiaries / Fellow Subsidiaries | Holding Company | Key Management Personel / Enterprises where KMPs have got significant influence | Total |
|---|---|---|---|---|---|
| **A. TRANSACTIONS** | | | | | |
| Directors Sitting Fees | | | | | |
| - Mr. Pradeep Sharma | | | | **0.25**<br>(0.50) | **0.25**<br>(0.50) |
| - Mrs. Kirti Mishra | | | | **0.35**<br>(1.30) | **0.35**<br>(1.30) |
| - Mr. Gour Chandra Das | | | | **0.25**<br>(0.60) | **0.25**<br>(0.60) |
| **Service Charges Expenses** | | | | | |
| - Triton Trading Company Limited | Service Charges for Guest house expenses | | (0.33) | | (0.33) |
| - Nirbhay Management Services Pvt Ltd | | | **11.80** | | **11.80** |
| | As per terms of Contract for providing legal, secretarial, accounting, direct and indirect taxes, HR and Administration services as per Board Resolution dtd 24.02.2014 | | -<br>- | | -<br>- |
| **Loans & Advances Received** | | | | | |
| - Binani Industries Ltd | Advances received towards recurring expenses | -<br>- | **3.90**<br>(334.00) | | **3.90**<br>(334.00) |
| - R.B.G. Minerals Industries Ltd. | | | -<br>(0.35) | | -<br>(0.35) |
| - Green Panel Investment LLP | Advances received towards recurring expenses | | **1,808.29** | | **1,808.29** |
| **Loans & Advances Repaid** | | | (30.38) | | (30.38) |
| - Binani Industries Ltd | Advances returned | | **-**<br>(3.20) | | -<br>(3.20) |
| **B. BALANCES AS ON 31.03.2020** | | | | | |
| **Assets:** | | | | | |
| **Short Term Loans & Advances (Including ICD'S) **** | | | | | |
| **Binani Industries Limited** | | | | | |
| - Inter Corporate Deposit | | -<br>(3,346.59) | | | -<br>(3,346.59) |
| - Accrued Interest on ICD | | -<br>(949.63) | | | -<br>(949.63) |
| **Liabilities:** | | | | | |
| **Current Borrowing (Unsecured)** | | | | | |
| - Binani Industries Ltd | | | **435.46**<br>(431.56) | | **435.46**<br>(431.56) |
| - Green Panel Investment LLP | | | **1,808.29**<br>(30.38) | | **1,808.29**<br>(30.38) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

(₹ in Lakhs)

| Particulars | Basis/ Details | Subsidiaries / Fellow Subsidiaries | Holding Company | Key Management Personel / Enterprises where KMPs have got significant influence | Total |
|---|---|---|---|---|---|
| **Trade Payables** | | | - | | - |
| - Triton Trading Company Private Limited. | | | **12.96** | | **12.96** |
| | | | (12.96) | | (12.96) |
| - Nirbhay Management Services Pvt Ltd | | | **(0.01)** | | **(0.01)** |
| | | | (-0.03) | | (-0.03) |
| **Other Financial Liabilities** | | | | | |
| **Directors Seeting Fees** | | | | | |
| - Mr. Lokanathan Venkatachalam | | | | **0.09** | **0.09** |
| | | | | (0.09) | (0.09) |
| - Mrs. Aparna Sahay | | | | **0.50** | **0.50** |
| | | | | (0.50) | (0.50) |
| - Mrs. Kirti Mishra | | | | **1.04** | **1.04** |
| | | | | (0.72) | (0.72) |
| - Mr. Gour Chandra Das | | | | **0.77** | **0.77** |
| | | | | (0.54) | (0.54) |
| - Mr. Pradeep Sharma | | | | **0.68** | **0.68** |
| | | | | - | - |
| - Mr Mahesh Gupta | | | | **0.72** | **0.72** |
| | | | | (0.72) | (0.72) |
| **Corporate Guarantees Given** | | | | | |
| - Binani Industries Ltd | | | | | - |
| | | | | | - |
| - Other Fellow Subsidaries (*) | | | - | | - |
| | | | | | - |
| **Corporate Guarantees Received** | | | | | |
| - Binani Industries Ltd | | | **24,440.75** | | **24,440.75** |
| | | | (24,440.75) | | (24,440.75) |

Note : (Figures in brackets pertain to previous year)

The recurring expenses to maintain Edayar Zinc Limited is being funded by Binani Industries Limited.

* Jointly and Severally with the Holding Company and Fellow subsidiaries

*** Pursuant to Amalgamation of Binani Metals Limited with Binani Industries Limited w.e.f. 01.04.2015 [Appointed Date] vide H' onble Calcutta High Court order dated 21.01.2016, Nirbhay Management Services Private Limited and Narsingh Management Services Private Limited became fellow subsidiaries of the Company.

1 As per NCLAT order dated 14th November 2018 issued in respect of Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) IBC proceedings, the loan availed by Binani Industries Ltd. and 3B Binani Glassfibre Sarl and 3B Fibreglass Norway AS was paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) in its capacity as Corporate Gaurantor.

Based on legal opinion received by the Company on NCLAT order where no assignment aubrogation of debt/ Guarantes is permitted, debts paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) pursuant to the order, all the guarantees of the Company given to Binani Industries Limited, 3B Binani Glassfibre Sarl and 3b Fibreglass Norway AS stands discharged.

3 Binani Industries Limited has lost control on Binani Cement Limited wef 24th July 2017, the date of admission under the CIRP of IBC.

Names of related parties and description of relationship:

a Holding Company: Binani Industries Limited

b Fellow Subsidiary (including step down subsidiaries):Green Panel Investment LLP, Goa Glass Fibre Limited, Global Composite Holdings Inc (formerly Known as CPI Binani Inc) (USA), BIL Infratech Limited, 3B Binani Glassfibre Sarl, Project Bird Holding II Sarl, 3B Fibreglass Sprl, 3B Fibreglass Norway AS, TunFib Sarl (Tunisia), Nirbhay Management Services Private Limited.

c Subsidiaries: R.B.G. Minerals Industries Limited,.

d Key Management Personnel & Enterprises where Promoters have got significant influence:

(excluding holding company, subsidiaries and fellow subsidiaries) Mrs. Visalakshi Sridhar- Managing Director, CFO & Company Secretary wef 8th April 2019

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 34**

**Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. In order to minimise any adverse effects on the financial performance of the group, derivative contracts are entered to hedge certain foreign currency exposures and variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit Risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Aging analysis<br>Credit rating | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Future commercial transactions<br>Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting<br>Sensitivity analysis | Forward foreign exchange contracts, Cross Currency Swap, Call Spread |
| Market risk – interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| Market risk – security prices | Investments in equity securities | Sensitivity analysis | Portfolio diversification |

The group's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Group's use of leverage and borrowings can increase the Group's exposure to these risks, which in turn can also increase the potential returns the Group can achieve. The finance team manages these exposures on an individual securities level.

**(A) Credit risk**

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the group. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost, derivative products and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

**(i) Credit risk management**

Credit risk is managed at subsidiary entity level and parent entity/group level depending on the policy surrounding credit risk management. For banks and financial institutions, only high rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at parent entity or group level except for those surrounding accounts receivable balances. The Group's policy to manage this risk is to invest in debt securities that have a minimum credit rating of BBB as designated by well-known rating agencies. Within the above limits, the Group may also invest in unrated assets where a rating is assigned by a valuation expert using an approach that is consistent with the approach used by that rating agency. The analysis below summarises the credit quality of the Group's debt portfolio at 31 March.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Macro economic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the group. The group categorises a receivable for write off when a debtor fails to make contractual payments greater than 120 days past due. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**(ii) Provision for expected credit losses (ECL)**

| Internal rating | Description | Category | Basis of recognition of ECL provision | | |
|---|---|---|---|---|---|
| | | | Investments | Loans and deposits | Trade receivables |
| 1 | Assets where the counter party has strong capacity to meet the obligation and where the risk of default is negligible or nil | High quality assets | 12 months ECL | 12 months ECL | Life time ECL (simplified approach) |
| 2 | Assets where there has been a significant increase in credit risk since initial recognition. | Sub-standard assets | Life time ECL | Life time ECL | |
| 3 | Assets are written off when there is no reasonable expectation of recovery. The group categorises a loan | Doubtful assets, credit impaired | Asset is written off | | |

**NOTE NO. 35 - FAIR VALUE MEASUREMENTS**

**Financial instruments by category**

| Particulars | 31 March 2021 | | | 31 March 2020 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Equity instruments | | - | **17.50** | | - | 523.59 |
| - Associates | | | **0.70** | | | 0.70 |
| Loans | | - | - | - | - | 18.50 |
| Cash and cash equivalents | | - | **5.34** | | - | 5.43 |
| Other bank balances | | - | **4.41** | | - | 4.41 |
| Other financial assets | | - | **1,374.57** | - | - | 1,360.60 |
| **Total financial assets** | - | - | **1,402.53** | - | - | 1,913.23 |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | **19,869.84** | - | - | 20,304.38 |
| Trade payables | - | - | **164.13** | - | - | 160.80 |
| Other financial liabilities | - | - | **3,741.50** | - | - | 4,339.32 |
| **Total financial liabilities** | - | - | **23,775.47** | - | - | 24,804.50 |

**NOTE NO. 36 - FINANCIAL RISK MANAGEMENT**

**Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

The Company's risk management is carried out by Finance department under policies approved by the board of directors. The Company finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**(A) Credit risk**

The company is exposed to credit risk, which is the risk that counter party will default on its contractual obligation resulting in a financial loss to the group. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost, derivative products and deposits with banks and financial institutions, as well as credit exposures to trade/non-trade customers including outstanding receivables.

**(i) Credit risk management**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counter party,

iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counter party,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Financial assests are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

| **Particulars** | **As at 31st March 2021** | As at 31st March 2020 |
|---|---|---|
| **Not due** | | |
| **0-180 Days** | **1,508.17** | - |
| **181-360 Days** | **-** | - |
| **1 years to 2 years** | **-** | - |
| **More than 2 years** | **-** | - |
| **Total** | **1,508.17** | - |

**Financial Assets are considered to be of good quality and there is no significant increase in credit risk.**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 37**

**(A) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at Corporate in accordance with practice and limits set by the Holding Company Management . These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Financing arrangements**

The group does not have access to any undrawn borrowing bank facilities at the end of the reporting period:

| **Particulars** | **31 March 2021** | 31 March 2020 |
|---|---|---|
| **Floating rate** | | |
| Expiring within one year (bank overdraft and other facilities) | **0.00** | 0.00 |
| Expiring beyond one year (bank loans) | **-** | - |
| **Total** | **0.00** | 0.00 |

The Bank Account has already become NPA in the year 2014-15 and Banks have cancelled the working capital facilities and taken physical possession of the assets charged. Also refer to note on One Time settlment with the banks

**(ii) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| **Contractual maturities of financial liabilities 31 March 2021** | **Less than 3 months** | **3 months to 6 months** | **6 months to 1 year** | **Between 1 and 2 years** | **Between 2 years and 5 years** |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | (₹ In Lakhs) |
| Borrowings | 19,869.84 | | | | |
| Trade payables | 164.12 | | | | |
| Advance from Holding Company/ Green Panel Invt. LLP | - | | | | |
| Security and other deposits | 61.48 | | | | |
| Retention money payable | 265.10 | | | | |
| Creditors for capital expenditure | 297.22 | | | | |
| Advance from Customers | 80.89 | | | | |
| Creditors for supplies and services | | | | | |
| Employees dues payable | - | | | | |
| Others | 3,036.81 | | | | |
| **Total non-derivative liabilities** | **23,775.47** | | | | |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

| Contractual maturities of financial liabilities<br>31 March 2020 | Less than 3 months | 3 months to 6 months | 6 months to 1 year | Between 1 and 2 years | Between 2 years and 5 years |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | (₹ In Lakhs) |
| Borrowings | 20,304 | | | | |
| Trade payables | 157 | | | | |
| Advance from Holding Company | - | | | | |
| Security and other deposits | 61 | | | | |
| Retention money payable | 265 | | | | |
| Creditors for capital expenditure | 297 | | | | |
| Advance from Customers | 81 | | | | |
| Creditors for supplies and services | | | | | |
| Employees dues payable | - | | | | |
| Others | 3620 | | | | |
| **Total non-derivative liabilities** | **24,786.33** | | | | |

**(B) Market risk**

**(i) Foreign currency risk**

The group does not have material revenue from overseas operations. However, the entity makes imports of coal, EPC contract materials and capital goods. Further the group holds monetary assets in the form of investments in currency other than its functional currency i.e. Indian Rupee. The group has long term monetary liabilities which are in currency other than its functional currency. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Foreign currency risk, as defined in Ind AS 107, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

While the company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of companies in which the Group invests. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Group's net assets attributable to holders of equity shares of future movements in foreign exchange rates.

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below:

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts within 10 days of exposure generated.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 38 - CAPITAL MANAGEMENT**

**(a) Risk management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(₹ in Lakhs)

| **Particulars** | **31st March, 2021** | 31st March, 2020 |
|---|---|---|
| Borrowings | **19,869.84** | 20,304.38 |
| Provisions | **3,173.01** | 3173.01 |
| Trade Payables | **164.13** | 157.41 |
| Other Payables | **3741.50** | 4,324.54 |
| Other financial liabilities | **2,316.10** | 924.07 |
| Less Cash and Cash Equivalents | **(9.75)** | (9.84) |
| Trade receivables | **1,508.17** | |
| Other Financial Assets | **(3.87)** | (3.45) |
| Other Non-Current Assets | **(244.42)** | (244.42) |
| Net Debt | **30,514.71** | 28,625.70 |
| | | |
| Equity Share Capital | **6,761.81** | 6,761.81 |
| Other Equity | **(21,808.48)** | (21,681.80) |
| Total Equity | **(15,046.67)** | (14,919.99) |
| Net debt to equity ratio | **(2.03)** | (1.92) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 39 - CONTINGENT LIABILITIES AND COMMITMENTS:**

**(a) Contingent Liabilities**

(₹ in Lakhs)

| **Particulars** | **31st March, 2021** | 31st March, 2020 |
|---|---|---|
| Contingent Liabilities: | | |
| Claims against the company not acknowledged as debt (Disputed Tax/duty and other demands) | **6,948.01** | 8,463.24 |
| Guarantees given to Financial Institutions and Banks (Refer Note 42.1) | **0.00** | 109.50 |
| Commitments: | | |
| *Estimated amount of Contracts remaining to be executed on capital account and not provided for | **-** | - |
| Other commitments | | 195.16 |
| **Total** | **6,948.01** | 9,189.29 |

* The project is on hold and hence unable to estimate.

**39.1 Details of Guarantees :**

(₹ in Lakhs)

| **Particulars** | **31st March, 2021** | 31st March, 2020 |
|---|---|---|
| Other Bank Guarantees | **0.00** | 155.50 |
| **Total** | **0.00** | 155.50 |

* As per NCLAT order dated 14th November 2018 issued in respect of Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) IBC proceedings, the loan availed by Binani Industries Ltd. and 3B Binani Glassfibre Sarl and 3B Fibreglass Norway AS was paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) in its capacity as Corporate Gaurantor.

Based on legal opinion received by the Company on NCLAT order where no assignment aubrogation of debt/ Guarantes is permitted, debts paid by Binani Cement Ltd (now known as Ultratech Nathadwara Cement Ltd.) pursuant to the order, all the guarantees of the Company given to Binani Industries Limited, 3B Binani Glassfibre Sarl and 3b Fibreglass Norway AS stands discharged.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

(All amounts in INR lakhs, unless otherwise stated)

**39.2 Note on EZL - KAVT status for the period 2005-06 till 2014-2015**

In the recent past, company applied for revision of assessment for all the years from 2005-06 till 2014-15 by approaching appellate tribunal and its kerala high court for direction to the department to consider C forms / F forms not presented / not considered because of non availability of state check post data during original assessment time under the Amnesty Scheme. KVAT department accepted our application and the amount of Rs. 541.40 lakhs was paid in full under the amnesty scheme.

**NOTE NO. 40 : INCOME TAXES**

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

(₹ in Lakhs)

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **(a) Income tax expense** | | |
| **Current tax** | | |
| Current tax on profits for the year | - | - |
| Adjustments for current tax of prior periods | - | - |
| **Total current tax expense** | **-** | **-** |
| **Deferred tax** | | |
| Decrease (increase) in deferred tax assets | - | - |
| (Decrease) increase in deferred tax liabilities | - | - |
| Total deferred tax expense/(benefit) | - | - |
| **Income tax expense** | - | - |

**(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :**

(₹ in Lakhs)

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Profit before income tax expense | **(126.68)** | (2,643.69) |
| Enacted income tax rate in India | **25.75%** | 25.75% |
| Income tax expense as per enacted rate | **(32.62)** | (680.75) |
| Tax effect of amounts which are not deductible(taxable) in calculating taxable income: | | |
| Expenses disallowed since business not commenced | | |
| Depreciation | **-** | - |
| Other items | **-** | - |
| DTA not recognised | **(32.62)** | (680.75) |
| Adjustments for current tax of prior periods | **-** | - |
| Tax losses for which no deferred income tax was recognised | **-** | - |
| Income tax expense | **-** | - |

Note: Deferred Income Tax Asset is not recognised in the books.

**41** In the year 2004 KSEB had imposed penalty of Rs.20 lakhs per month for unauthorized additional load. The Single Bench of the Hon'ble High Court of Kerala, had in December 2009, disposed the Company's Petition against the Order of the Appellate Authority (Dy. Chief Engineer KSEB) and quashed the order levying penalty for unauthorised additional load. Matter was remanded with a direction to take a decision afresh in accordance with Law considering the bonafide conduct of the Company. The Single Judge held that the Company had obtained all the necessary approvals & energization order from Electrical Inspectorate as stipulated in the conditions of supply of KSEB and since there was no violation, the penal charges are not payable. However matter was remanded. Company filed appeal against remand before the Division Bench. Division Bench held in Company's favor completely. Hence no provision is considered necessary at this stage. (also refer note 29(ii))

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

In respect of electricity charges payable for certain years in the prior period, KSEB had withdrawn the concessional tariff eligible for the Company. Though initially the tariff concession was extended, it was subsequently withdrawn by KSEB, on the specific plea that the capacity expansion (which was the criteria for eligibility) was not achieved before due date. KSEB raised claim for Rs. 816.88 Lakhs for those years, which was provided for. The Company had taken up the matter before the Hon'ble High Court of Kerala, which was admitted. KSEB withdrew its earlier order and sought permission for de novo determination, which was accepted by the Single Judge. Company went before Division Bench to issue necessary orders for accepting Company's eligibility. Hearings have been completed and reserved for judgement. Since the matter is pending for nearly three decades and based on the legal advice obtained, the said amount of Rs. 816.88 lakhs provided for, was considered no longer payable and written back in the accounts of the Company in the year 2003-04. The Company, as legally advised, is hopeful of a favourable decision on final settlement of the issues involved in the matter and hence no provision is made for the said amount, which is included under contingent liabilities. (also refer note 29(ii))

**NOTE NO. 42 - SEGMENT REPORTING**

The Company operates in a single segment i.e. 'Production and Sales of Zinc and allied products in India'. The company's entire Zinc sales are in India. Hence no additional disclosures under Ind AS "Operating Segments" are required in these financial statements.

**NOTE NO. 43 - RISK MANAGEMENT TRANSACTIONS**

The Company undertakes hedging against the risk in commodity prices (zinc prices) through derivative instruments in London Metal Exchange. The gain/losses are recognized in the Statement of Profit and Loss on settlement of the transaction. However, during the year 2019-20, the Company has not undertaken any fresh hedging activities.

In pursuance of the announcement dated 29/03/2008 of the Institute of Chartered Accountants of India on accounting for derivatives, mark to market gains (net) on outstanding derivative instruments as at 31/03/2020 stood at Nil (Previous Year Nil).

**NOTE NO. 44**

The consortium of Banks led by Punjab National Bank have sanctioned a One Time settlement during 2019-20 (PNB vide sanction letter dated 29.08.2019, Oriental bank of Commerce vide their letter dated 07.10.2019 and Punjab and Sind Bank vide their letter dated 23.09.2019) for Rs. 175 crore. The Banks had taken physical possession of the mortgaged assets in July 2019. As per the terms of the One Time Proposal, the mortgaged assets will be sold and the proceeds will be utilised for payment towards the One Time settlement. The Debt recovery Tribunal has vide order dated February 13, 2020 permitted the sale of assets mortgaged either by the Banks or by the Company with the permission of the Banks under the provisions of the SARFESI Act and the Banks shall issue a Certificate of sale thereof. Further the Banks have been permitted appropriation of the sale proceeds of the said secured assets on a first priority in terms of section 26E of the SARFESI Act and the notification dated December 24, 2019 issued in respect thereof by the Ministry of Finance (Department of Financial Services) where the debts of the banks are to be paid on a priority to all other debts, all revenues, taxes, cesses and other rates payable to the Central Government/ State Government /local authority.During the year the application filed by Punjab National bank before the Hon'ble National Company Law Tribunal, Kolkata for admission of the Company's matter under the Insolvency and Bankruptcy Code, 2016 (IBC) has been disposed off as withdrawn vide order dated December 04, 2019 as the Company has arrived at an One Time Settlement with the Banks.As part of the Corporate Insolvency Resolution Process in Binani Cement Limited and order dated November 14, 2018 of NCLAT, Binani Cement Limited has already paid the dues to EXIM bank who had invoked the Corporate Guarantee issued by Binani Cement Limited.

**NOTE NO. 45**

The management is of the opinion, taking due consideration of the factors stated in Notes above and also that the realisable value of the assets is more than the carrying value in accordance with the provisions of Indian Accounting Standard – IND AS 36 (Impairment of Assets). The assets are not tested for impairment.

**NOTE NO. 46**

The company has entered into One Time Settlement (OTS) with the Banks wherein the OTS will be paid out of sale proceeds of the mortgaged assets. The company has obtained an order from DRT-III for utilisation of the sale proceeds in terms of Section 26E of the SARFAESI Act 2002 and has also entered into agreement with M/s Fine Fab Engineering and Constructions in February 2020 for sale of plant and machinery as scrap and with M/s Mina Ventures Private Limited for land. An amount of Rs. 6500 lakhs as of March 31, 2021 towards the settlement. The bank has issued a Sale Certificate for Rs.426 lakhs.

**NOTE NO. 47 - ADVANCE FOR SALE OF LAND**

The agreement with M/s Rhea Realty Private Limited for sale of land is pending before the Honourable High Court of Kerala. This is pursuant to the order of the Paravoor Civil Court in the subject matter. While discussions are underway, in the matter of dispute on the sale agreement, Rs. 100 lakhs was received from M/s Megalith Builders Private Limited (a related party of M/s Rhea Realty Private Limited) as further advance for land sale as a goodwill gesture.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 48**

Bankers led by Punjab National bank have taken physical possession of the following mortgaged assets on 23r July, 2019. Land and Building and Plant and Machinery situated at Edayar Zinc Limited including an extant of 95.34 acres of land in Binanipuram, Kadungaloor Village Parur Taluka, Ernakulam District admeasuring area of Land :- 95.34 acres Industrial Building admeasuring area 117483 sq. .meters along with inventory and current assets

**NOTE NO. 49**

EZL filed Insurance Claim before the consumer dispute Kerala State Commission against Oriental Insurance Co. Ltd. seeking order directing Oriental Insurance to pay an amount of Rs. 71.12 lakhs.

Oriental insurance company rejected EZL's claim citing non-disclosure of material facts by EZL ie. Non-disclosure that DG set was old. EZL's contention is that EZL have asked Oriental Insurance Co. Ltd to cover the existing DG set & not a new one.

**NOTE NO. 50**

In respect of capital goods imported at concessional rate of duty under the EPCG Scheme, the Company received notice no. DRI/BZL/CHN/SCN-08/2016 from DRI dated 29/11/2016 for an export obligation of Rs. 965.02 lakhs which is required to be met at different dates before November 2019. In the event of non-fulfilment of the export obligation, the Company will be liable to refund the availment of concessional customs duties and penalties as applicable. The DRI authorities had come to the plant and seized the imported capital goods which was in carton, which is included in CWIP.

DRI vide order dated 01/02/2018 have ordered payment due of Rs. 1.95 crore as follows which would be made good by enforcing the Bond executed at the time of clearance of the consignment. The value of bonds issued at the time of Import is Rs. 1.32 crore (see break-up below). This apart, the goods imported of value Rs. 3.65 crores have been confiscated.

### CALCULATION OF PENALTY UNDER DRI ORDER
### Order dated February 01, 2018

(₹ in Lakhs)

| **Particulars** | **Rupees** | Rupees |
|---|---|---|
| Rejection of Cocenssional duty | | 86,63,267 |
| Interest from date of clearance of consignment | | |
| Date of Licence (considered as date of BoE) | 08-11-2013 | |
| Balance Sheet date | 31-03-2018 | |
| Interest from date of clearance of consignment | 18% | |
| Interest Amount | | 84,12,151 |
| Fine | | 30,00,000 |
| Penalty | | 10,00,000 |
| Total payable under the DRI order (EPCG) | | 2,10,75,418 |
| Bonds Issue in favour of President of India | | |
| Bond dated | | |
| 25th February, 2014 | 65,12,000 | |
| 17th April, 2014 | 58,16,000 | |
| 28th November, 2013 | 8,86,000 | |
| | | 1,32,14,000 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31ST MARCH, 2021

**NOTE NO. 51**

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivables, investments and other assets and liabilities. Based on the current indicators of the future economic conditions, the company expects to recover the carrying amount of all its assets. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to the future economic conditions

**NOTE NO. 52**

During the year 2019-20, the company has received Rs.4727.79 lakhs from Binani Industries Limited and the same has been adjusted against their dues. As of March 31, 2020, the company owes Rs. 431.56 lakhs to Binani Industries Limited, the holding company.

**NOTE NO. 53**

No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements for the year ended, other than those reflected or fully disclosed in the books of accounts.

**Note:** Figures of previous years regrouped or restated wherever necessary.

**NOTE NO.54**

RBG Minerals Industries Limited was formed for the purpose of setting up a beneficiation plant and extraction of lead, copper and zinc concentrates. The Company had an underlying MOU with the Rajasthan and Gujarat Government for transfer of Deri and Ambaji mines in 20021. The Company took Basantgarh mine on lease from RSMML and has been paying dead rent. The Gujarat and Rajasthan Government have not transferred the mine in the name of the Company.

With the new mining policy the chances of transferring of mine by the Government seems frail. RSMML is also following up for starting work on the mine as per the lease deed. The Company hence proposes to settle /pay the overdue dead rent dues of Rs.7 lakhs. Given the position, the investment has been written off in the books in EZL.

As per our report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No. 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

Place : Mumbai
Date : June 23, 2021

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

## 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 subsidiaries/associate companies/joint ventures.**

**Part "A": Subsidiaries**

(₹ in lakhs)

| Sl. No | Name of the subsidiary | Reporting period | Reporting currency | Share capital | Reserves & surplus | Total assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | RBG Minerals Industries Limited | April 2020 to March 2021 | INR | 500.00 | 105.09 | 658.00 | 52.91 | NIL | NIL | (0.26) | (0.00) | (0.26) | NIL | 100% |
| 2 | Green Panel Investment LLP | April 2020 to March 2021 | INR | 1 | 0 | 242.87 | 242.87 | NIL | NIL | NIL | NIL | NIL | NIL | 70% |

As per our report of even date attached

For and on behalf of the Board of Directors

**For Udeshi Shukla & Associates**
Chartered Accountants
Firm Registration No: 114886W

**CA Paresh Vijaysinh Udeshi**
Partner
Membership No.: 042082

Place : Mumbai
Date : June 23, 2021

**Visalakshi Sridhar**
Managing Director,
CFO & Company Secretary
DIN: 07325198
Membership No. ICSI-A13849
AICWA-M21132

**Mohd. Bismith Allingal**
Director
DIN - 08227170

**Pradeep Sharma**
Director
DIN - 06881915

Place : Mumbai
Date : June 23, 2021

Binani

BRAJ BINANI GROUP

EDAYAR ZINC LIMITED

Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

S V Enterprises - 9869487933