

Report of the Directors

For the financial year ended March 31, 2019

Your Directors are pleased to present the Annual Report, together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Financial Results of the Company are summarised below:

Particulars	₹ Crores	
	2018-19	2017-18
Revenue from Operations	1,442.00	1,451.95
Other Income from operations	15.73	4.40
Total Revenue from Operations	1,457.73	1,456.35
Total Expenditure adjusted for increase/decrease of stocks	1,334.96	1,351.00
Profit from Operations before Other Income, Depreciation, Finance Costs and Tax	122.77	105.35
Other Income	35.41	19.77
Profit from Operations before Depreciation, Finance Costs and Tax	158.18	125.12
Depreciation	21.84	19.24
Interest and Exchange Fluctuation	53.99	28.70
Profit before Exceptional items and Tax	82.35	77.18
Exceptional items	23.25	-
Profit before Tax	59.10	77.18
Provision for Tax	11.85	22.44
Profit after Tax	47.26	54.74
Balance carried forward to Balance Sheet	49.62	17.20

Net sales for the year was lower by 1% over the previous financial year. The turnover for the year, however, has to be seen in context of an adjustment for revenue in line with the adoption of new Revenue Standard issued by the Institute of Chartered Accountants of India with effect from April 1, 2018. Without considering the aforesaid adjustments, net sales for the year was higher by 1%. Profit before Depreciation, Interest and Taxation (PBDIT) was higher by 17% at ₹ 122.77 Crores (previous year- ₹ 105.35 Crores). Exceptional items relate to costs related to a voluntary retirement scheme for workmen (VRS), completed during the year under review for the manufacturing facility at Thiruvottiyur, Chennai (previous year Nil). With Depreciation of ₹ 21.84 Crores (previous year- ₹ 19.24 Crores), an increase in interest / exchange fluctuation charge of ₹ 53.99 Crores (previous year- ₹ 28.70 Crores), Profit after Taxation stood at ₹ 47.26 Crores for the year as against a Profit of ₹ 54.74 Crores in the previous year. Net accumulated profits stood at ₹ 49.62 Crores.

DIVIDEND

Your Directors consider it prudent not to recommend any dividend for the year under review as a measure of conservation.

TRANSFER TO RESERVES

There was no transfer to General Reserves during the year under review.

OPERATIONAL REVIEW & STATE OF THE COMPANY'S AFFAIRS

Batteries & Flashlights

The battery category continued to be disturbed by poor quality products imported from China at dumped prices. As a result, the category volume and value both remained flat during the year.

According to Company estimates, the market share position of the major players remained unaltered during the year under review, with your Company's share being estimated at 50%.

The flashlight market remained disturbed by proliferation of cheap flashlights of poor quality by the unorganized and gray market players which impacted organized players like EILL, leading to a flat turnover during the year.

Your Company's share of the flashlight market was maintained at 70%. However, this has to be seen in the perspective of large unorganized market, which is estimated at the same size as the organized market.

However, both the segments had very healthy EBIDTA during the year – batteries at ₹ 131.77 Crores and flashlights at ₹ 18.61 Crores - mainly due to favorable commodity prices, fiscal benefits from the manufacturing unit at Assam and overall cost conservation – mitigating the adverse impact of a depreciating rupee. EBIDTA margins were at 17.6% for batteries and 10.3% for flashlights – a substantial improvement over last year.

The manufacturing operations in these product categories continued to focus on total quality management, safety, energy conservation and cost control. This helped your Company in achieving efficiency in the manufacturing function.

The manufacturing facility at Kolkata stood 2nd Runners-up in the 31st State level Quality Circle Convention held by Confederation of Indian Industry (CII). It received the Certificate of Merit on Safety, Health & Environment from CII and was also awarded with a 4 Star Energy Conservation Award by CII.

With the manufacturing facility at Chennai becoming idle, consequent to its economic unviability, for some time, your Company has entered into an Agreement for Sale on December 5, 2018, with M/s Alwarpet Properties Private Ltd, for sale of this surplus land for a consideration of ₹ 100.00 Crores and has received ₹ 50.00 Crores during the year under review. The sale is expected to be completed within 6 months, based on tangible milestones.

Lighting & Electrical Products

Your Company has diversified to the marketing of electrical & lighting products for quite sometime now. These products found excellent fit to its brands– Eveready and PowerCell, which are synonymous with portable energy and lighting. There was also synergy in these products with the existing distribution network of your Company.

At the point of entry to this diversification initiative, the leading products were Compact Fluorescent Lamps (CFL) and General Lighting Service (GLS). However, during the previous year, the category experienced an almost complete shift towards the Light Emitting Diode (LED) bulbs which added a significant technology edge in comparison to the traditional CFL and GLS bulbs. Your Company became part of this technology change which significantly enhanced the product basket being offered by it. After gaining reasonable success with LED bulbs, the Company addressed a growth path in LED based Luminaires and

is now addressing a growth path in professional lighting. Initial feedbacks are encouraging and it should be able to chart growth in this category too.

While your Company's distribution in general trade and modern retail provided a good platform to enter this category, expansion has been done to tap the exclusive electrical trade. Further expansion plans are being planned to tap electrical hubs for distribution of Luminaires. Your Company successfully serviced Government tenders worth ₹ 8.92 Crores – for supply of LED based luminaires.

Net sales from this category for the current year stood at ₹ 319.75 Crores – and it is expected that this category will provide significant turnover growth in the years to come.

Packet Tea

The packet tea business continued with its steady performance through leveraging of the distribution network of the Company. Current share of the market stands at 1 – 5 per cent in the various markets of the country. While relatively small in the overall turnover, it provides an important option to distribution in many areas. Sales turnover for the current year stood at ₹ 68.30 Crores. The packet tea segment had a EBITDA loss during the year. Work is afoot to mitigate this position.

Small Home Appliances

Your Company has recently forayed into the Small Home Appliances segment in line with its strategy to bring in new Products to its selling basket with a view to improving turnover and profitability. Towards this, your Company launched a range of fans and appliance products, namely, Mixer Grinders, Irons, Room Heaters, Juicer Mixer Grinders, Water Heaters, Induction Cookers, Sandwich Makers among many others. It has also launched a range of Air Purifiers to augment the portfolio.

Net sales from this category for the current year stood at ₹ 138.82 Crores and is expected to provide significant turnover growth in the years to come. Your Company successfully serviced Energy Efficiency Services Ltd (EESL) tenders worth ₹ 7.20 Crores – for supply of fans - as part of the scheme to supply to homes at affordable prices.

Diversification of Product Portfolio

Your Company has entered into a Joint Venture with Universal Wellbeing Pte. Limited to engage in the business of manufacturing/importing and marketing of fast moving consumer goods (FMCG) in India. Your Company has acquired 30% shares of the Joint Venture Company, which has been incorporated under the name of Preferred Consumer Products Private Ltd. for the same. Balance 70% has been acquired by Universal Wellbeing Pte. Limited. Universal Wellbeing is one of the leaders in the FMCG market in South East Asia with active presence in several countries. It is part of the Wings Group of Indonesia. It develops, manufactures and sells a wide variety of products in fabric and household care, personal care, skincare, and foods & beverages.

The new venture will market FMCG products using the respective strengths of its shareholders, viz., the product expertise of Universal Wellbeing and the distribution strength of your Company. It is envisaged that with this Joint Venture, your Company will be able to unlock more value from its vast distribution network and would be able to offer better products of international quality to the Indian consumer.

Prospects

The flat turnover for the year was mainly attributable to the segments of Lighting and Appliances. Lighting turnover was down partially due to supply constraints and partially due to unit price decrease in LED bulbs while Appliances turnover got affected due to lower offtake of certain economy category of products on account of an extended winter.

However, in the medium to long term, the situation is likely to improve as new suppliers are developed for Lighting and as demand for the economy segment of Appliances pick up. Additionally, it is anticipated that the stabilization of the GST regime will bring in higher degree of tax compliance in the country. The battery and flashlight categories, bear the impact of non-compliance with tax laws by unorganized part of the market – either through undervalued dumped imports from China for batteries or gray market local operators in the flashlights market. It is expected that increased compliance to the GST regime will bring such elements into its net thereby eliminating the unfair gap in the pricing structure with tax compliant organizations. As a consequence both batteries and flashlights should show reasonable growth in 2019-20. The introduction of quality standards for all dry cell batteries marketed in India by the Bureau of Indian Standards (BIS) in May 2019 would help the domestic manufacturers from unhealthy competition from the Chinese exporters as their costs would escalate in complying with the quality norms. This, along with projections for a near-normal monsoon in the forthcoming season, should add fillip to the demand. The Company is also confident that it will be able to capture growth in this market, riding on its obvious strengths of premium quality offering, brand and distribution. The outlook on battery and flashlight categories thus remains positive.

Prospects are promising in the Lighting & Electrical products category. This business has become a key focus area and an avenue for growth. As mentioned earlier, the market has now almost entirely shifted from CFL to LED bulbs and luminaires. LED bulbs and LED based Luminaires with higher margins now constitute more than 80% of the category turnover and these will be the growth drivers for the category and the overall business of the Company. This range of new generation lights have been very well accepted by the market and will enhance the Company's efforts towards a fruitful diversification. The outlook is thus upbeat - with potential for both growth and profitability.

Growth will also come from the product segment of appliances with growing disposable incomes and Government's initiative of rural electrification. Though at a nascent stage, initial market response and results have been encouraging.

FINANCE

Tight control was kept over the finances of your Company, through judicious working capital management and operational efficiencies. Your Company remains focused to reduce its borrowings, which stood at ₹ 384.04 Crores at the end of the year.

Your Company met its financial commitments in servicing debt and repayment thereof in a timely manner. Capital expenditure program was fully met.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company, between the end of the financial year of the Company i.e., March 31, 2019 to which the financial statements relate and the date of this Report.

SUBSIDIARIES, ASSOCIATES & CONSOLIDATED FINANCIAL STATEMENTS

Your Company's subsidiary at Hong Kong, Everspark Hong Kong Private Limited registered a turnover of ₹ 86.24 Crores during the current year (₹ 42.47 Crores during FY 2017-18). It earned a profit of ₹ 1.55 Crores during the year.

Another subsidiary, Greendale India Limited (formerly Litez India Ltd.) did not register any revenue from turnover during the current year (₹ 0.12 Crores during FY 2017-18). It incurred a loss of ₹ 0.11 Crores during the year.

Your Company's associate, Preferred Consumer Products Private Limited which was incorporated on June 5, 2018, did not register any revenue from turnover

during the current year, However your Company's share of loss amounted to ₹ 0.87 Crores during the year.

A Statement in Form AOC -1 containing the salient features of the said Companies is attached to the Financial Statements in a separate section and forms part of this Report. The separate audited accounts of the said Companies are available on the website of the Company.

The Annual Report includes the audited Consolidated Financial Statements, prepared in compliance with the Companies Act, 2013 and the applicable Accounting Standards, of the subsidiaries and associate. The Consolidated Financial Statements shall be laid before the ensuing 84th Annual General Meeting of the Company along with the laying of the Standalone Financial Statements of the Company.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report as Annexure 1.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Policy formulated by your Company is available on the website of the Company (<http://www.evereadyindia.com/investor-relations/pdf/csr-policy-14.pdf>). This policy, encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Annual Report on CSR activities to be included in the Report, containing the composition of the CSR Committee, disclosure of the contents of the CSR Policy and the initiatives taken, as well as the expenditure on CSR activities, forms a part of this Report as Annexure 2.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors state that :

1. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed with no material departures;
2. 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 and of the profit of the Company for that period;
3. the Directors had 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;
4. the Directors had prepared the annual accounts on a going concern basis;
5. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Mr. Aniruddha Roy, Ms. Arundhuti Dhar and Mr. Mahesh Shah have been appointed as Independent Directors for a period of five years effective September 17, 2018, May 21, 2019 and May 27, 2019, respectively, subject to the approval of the shareholders at the forthcoming Annual General Meeting. Mr. Aniruddha Roy, Ms. Arundhuti Dhar and Mr. Mahesh Shah, appointed as Additional Directors, will hold office till the ensuing Annual General Meeting and are eligible for their individual appointments as Independent Director(s). Requisite Notices have been received from Members proposing the appointments of the above Independent Directors.

Mr. Subir Ranjan Dasgupta completes his term as Independent Director on July 24, 2019 and is eligible for re-appointment in terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019 (Listing Regulations).

Mr. Sanjiv Goenka, Mr. Sudipto Sarkar, Mrs. Ramni Nirula and Mr. Ajay Kaul, Independent Directors, resigned from the Board of Directors effective September 15, 2018, March 29, 2019, May 20, 2019 and May 24, 2019. The Board records its appreciation of the valuable services rendered by Mr. Goenka, Mr. Sarkar, Mrs. Nirula and Mr. Kaul during their tenures as Directors.

Mr. Brij Mohan Khaitan, Non-Executive Director and Chairman of the Company resigned from the Board of Directors of the Company due to his old age. The Board records that the Company has benefitted immensely with Mr. B. M. Khaitan's exemplary leadership and vision during his long association as Director and Chairman of the Company for over two decades and as a mark of respect towards Mr. Khaitan's leadership and significant contributions to the Company, the Board designated Mr. B. M. Khaitan as 'Chairman Emeritus' of the Company.

Mr. Suvamoy Saha will retire by rotation at the forthcoming Annual General Meeting and is eligible, for re-appointment.

On a Reference Application made by the Central Government to the Company Law Board (CLB) under Section 408 of the Companies Act, 1956, the CLB, by an order dated December 20, 2004 directed the Central Government to appoint three Directors on the Company's Board for three years. As the CLB's order suffers from various legal infirmities, the Company, based on legal advice, has challenged this order of the CLB before the Hon'ble High Court at Calcutta, which has, by an interim order, stayed the operation of the CLB's order. The stay is continuing.

DECLARATIONS BY INDEPENDENT DIRECTORS

Necessary declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed, have been received.

KEY MANAGERIAL PERSONNEL (KMP)

During the year under review there were no changes in the KMP. Subsequently, Mr. Indranil Roy Chowdhury, Senior Vice President – Finance and Mr. Bibhu Ranjan Saha, Senior Vice President – Accounts & Banking, have been designated as Joint Chief Financial Officers of the Company effective May 17, 2019. Mr. Suvamoy Saha remained as Whole time Director of the Company.

REMUNERATION POLICY

The Remuneration Policy is available on the website of the Company(<http://www.evereadyindia.com/investor-relations/pdf/remuneration-policy.pdf>). This policy for selection and appointment of Directors, Senior Management and their remuneration, includes the criteria for determining qualifications, positive attributes, independence of a Director and other matters as required.

BOARD EVALUATION

The Nomination & Remuneration Committee of the Board of Directors had laid down the criteria for evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship and Corporate Social Responsibility Committees. Annual Performance Evaluations as required, have been carried out. The statement indicating the manner in which formal annual evaluation of the Directors (including Independent Directors), the Board and Board level Committees is given in the Corporate Governance Report, which forms a part of this Annual Report.

MEETINGS

The Board meets regularly to discuss and decide on various matters as required. Due to business exigencies, certain decisions are taken by the Board through circulation from time to time. During the year, five (5) Board Meetings were convened and held. Additionally, several committee meetings as well as Independent Directors' meeting(s) were also held. The details of the Meetings are given in the Corporate Governance Report which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD

The details with respect to the compositions, powers, roles and terms of reference etc. of relevant Committees of the Board of Directors are also given in the Corporate Governance Report which forms part of this Annual Report. All recommendations made by the Audit Committee during the year were accepted by the Board.

EMPLOYEE RELATIONS

One of your Company's key strengths is its people. Relations with employees remained cordial and satisfactory. Your Board would like to place on record its appreciation of employees for their contributions to the business.

Your Company believes in a system of Human Resource Management which rewards merit based performance and playing an active role in improving employee skills. Actions during the year under review were supportive of this policy.

The details of the ratio of the remuneration of each director to the median employee's remuneration and other particulars and details of employees in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure 3. The details of the employee's remuneration as required under the said section and Rule 5(2) & 5(3) of the said Rules forms a part of this Report and are available at the Registered Office of the Company during working hours before the Annual General Meeting and shall be made available to any Member on request. Such details are also available on your Company's website. None of the employees listed in the said Annexure is related to any Director of the Company, in terms of the definition of Relatives as provided in the Act.

STATUTORY AUDITORS

Messrs. Price Waterhouse & Co Chartered Accountants LLP (Firm's Registration No. 304026E) have been appointed to hold office as Auditors for a period of 5 continuous years from the conclusion of the 82nd Annual General Meeting till the conclusion of the 87th Annual General Meeting of the Company.

AUDITORS' REPORT

In the Statutory Auditors Report, the Auditors have given a disclaimer of opinion on the basis that they are unable to obtain sufficient appropriate audit evidence

regarding the extent of the loss allowance/impairment to be recognized on the inter-corporate deposits and advances and of the potential liability, if any, to be recognized for the corporate guarantees /post-dated cheques, given to/ on behalf of certain Companies (part of the Promoter Group) and the consequential impact of the financial results as at and for the year ended March 31, 2019.

Based on the management's analysis and assumptions, your Directors believe that the Financial Statements for the year ended March 31, 2019 are materially correct. Hence your Directors do not believe that there is any material financial impact of the Disclaimer of Opinion.

With regard the inter-corporate deposits, corporate guarantees and post-dated cheques in favour of banks/other parties who have provided loans to certain companies (part of the promoter group) and advance for assignment of leasehold rights, it is clarified as follows :

- From time to time, these deposits were repaid by the borrowing entities to the Company on demand. However, some of these deposits amounting to ₹ 19,929 lakhs and interest outstanding thereon amounting to ₹ 3,150 lakhs are lying outstanding as at March 31, 2019.
- The liability on the outstanding amount of the corporate guarantees/post-dated cheques being ₹ 29,400 lakhs as at March 31, 2019, will not arise till the concerned borrower (s) default in their payment obligations.
- Repayment of these deposits and the guarantees/post-dated cheques given to/on behalf of these companies along with future interest have been guaranteed by certain promoter Directors of the Company, in the event of a default by the said Companies to pay the dues. Furthermore, a promoter group level restructuring is under way to monetize assets to meet up the various liabilities of the companies (part of the promoter group) including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company. Your Directors therefore believe that the outstanding dues shall be recovered and no provision is required at this stage.
- The assignment of leasehold rights will be completed subject to completion of due diligence. If the Company decides to not proceed with the transaction or the Assignor fails to make out a clear and marketable title or execute the deed of assignment, the Company has the right to rescind/ cancel the MOU, basis which the Assignor has to refund any money paid by the Company as part payment towards the total consideration.

The Auditors have drawn attention of the Members on the penalty imposed by Competition Commission of India (CCI), the matter of which is covered elsewhere in the Report and also in the Notes on accounts,

INTERNAL FINANCIAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of the business operations. The Statutory Auditors have given their disclaimer of opinion on the financial reporting in their Report on the effectiveness of the Company's internal financial controls with reference to the financial statements over its assessment of the recoverability of the advances given as abovementioned and of its assessment of the liability to be recognized for the for the corporate guarantees/post dated cheques and of the loss allowance/impairment provisions. Your Directors re-iterate their clarifications on the same as above mentioned elsewhere in the Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 (the Act) read with the

Companies (Cost Records and Audit) Amendment Rules, 2014, your Directors, have appointed M/s. Mani & Co., Cost Accountants, Registration No. 00004, Ashoka, 111 Southern Avenue, Kolkata 700 029, (being eligible for the appointment), to audit the cost accounts of the Company for the financial year ending March 31, 2020. The remuneration payable to the Cost Auditors for the said year is being placed for ratification by the Members at the forthcoming Annual General Meeting. The Company maintains necessary cost records as specified under Section 148(1) of the Act in respect of the specified products.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit of the Company for the financial year 2018-19 was conducted by M/s MKB & Associates, a firm of Company Secretaries in Practice. There are no Audit Qualifications/Reservations/Adverse Remarks in the Secretarial Audit Report as annexed elsewhere in this Annual Report. The Secretarial Audit Report forms a part of this Report as Annexure 4.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements and forms a part of this Report.

PARTICULARS OF CONTRACTS/ARRANGEMENTS/TRANSACTIONS WITH RELATED PARTIES

Related party transactions entered into, during the year under review were on arm's length basis, in the ordinary course of business, for the operational and administrative benefits of the Company. There were no contracts/arrangements/transactions with related parties which could be considered as material and which may have a potential conflict with the interest of the Company at large. Accordingly, no contracts/arrangements/transactions are being reported in Form AOC-2. Details on related party disclosures are further given in the Corporate Governance Report, which forms a part of this Report.

RISK MANAGEMENT

Your Directors have approved various Risk Management Policies. All material risks faced by the Company are identified and assessed by the Risk Management Steering Committee. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting the risks on a periodic basis.

VIGIL MECHANISM

Your Directors have adopted a Vigil Mechanism/Whistle Blower Policy. The Policy has been posted on the website of the Company. None of the Company's personnel have been denied access to the Audit Committee.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 forms a part of this Report as Annexure 5 and is available on the website of the Company (http://www.evereadyindia.com/investor-relations/pdf/extract_of_annual_return.pdf).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The Competition Commission of India ("CCI") issued an Order dated April 19, 2019, imposing penalty on certain zinc carbon dry cell battery manufacturers,

concerning contravention of the Competition Act, 2002 (The Act). The penalty imposed on your Company was ₹ 171.55 Crores. Your Company filed an appeal and stay application before the National Company Law Appellate Tribunal, New Delhi, (NCLAT) against the CCI's said Order. The NCLAT vide its order dated May 09, 2019, has stayed the penalty with the direction of depositing 10% of the penalty amount within 15 days with the Registrar of the NCLAT which has been duly deposited by your Company.

Based on legal advice received by your Company, it is believed that, given the factual background and the judicial precedents, there are reasonable grounds on the basis of which the NCLAT will allow the appeal and accordingly, the Company is hopeful on adjudication upon the quantum of penalty imposed or remand to the CCI for de novo consideration. However, at this stage it is not possible for your Company to quantify or make a reliable estimate of the quantum of penalty that may be finally imposed on your Company. It may be noted that a certain amount of penalty will be levied on the Company as it had also earlier filed an application under the Lesser Penalty Regulations under the Act.

In terms of the aforesaid legal advice, your Company has been advised that the matter should be recognized as a contingent liability as defined under Ind-AS 37 and there should be no adjustment required in the financial statements of the Company in accordance with Ind-AS 10. Accordingly, pending the final disposal of the appeal, the amount has been disclosed as contingent liability in the accounts for the year under review.

Other than the aforesaid, there have been no significant and material orders passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.

OTHER DISCLOSURES

During the year under review :

- There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee constituted in terms of the said Act, continues to be in place.
- Your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- There was no change in the share capital or the nature of business of the Company.
- The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

A Management Discussion and Analysis Report and a Report on Corporate Governance are presented in separate sections, forming part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT/ DIVIDEND DISTRIBUTION POLICY

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Business Responsibility Report and the Dividend Distribution Policy are not applicable to the Company for the financial year ended March 31, 2019 and no such Report is presented. However, the Dividend Distribution Policy is available on the website of the Company (http://www.evereadyindia.com/investor-relations/pdf/dividend_distribution_policy.pdf).

For and on behalf of the Board of Directors