# 1. NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

**Note 1: Significant Accounting Policies**

**1. Company Overview and Significant Accounting Policies**

**1.1 Company Overview**

The Standard Batteries Limited is a Company limited by shares, incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange Limited (BSE Ltd.) in India. The registered office of the Company is located atRustom Court, OppPodar Hospital, Dr Annie Besent Road, Worli, Mumbai, Maharashrashtra – 400 030, India.The Company is principally engaged in the business of dealing in steel and metals.

**1.2 Basis of Preparation of Financial Statement**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016.

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These Financial Statements are prepared in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements for the year ended 31st March, 2018 have been approved by the Board of Directors of the Company in their meeting held on 25th May, 2018.

**1.3 Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

**1.4 Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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

In the principal market for the asset or liability, or

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

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

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**1.5 Classification of Current and Non-Current**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of Financial Statements and Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**1.6 Property, Plant & Equipment**

Property, Plant & Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, Plant & Equipment are ready for use as intended by management.

Depreciation methods, estimated useful lives and residual value

Depreciation on computers is provided on straight-line basis and for other assets, on written down value basis to allocate the cost of assets, net of their residual values, over their estimated useful lives. Depreciation is calculated on a pro-rata basis from the date of acquisition/installation till the date the assets are sold or disposed of:

| Asset category | Estimated useful life |
|---|---|
| Computers | 5 years |
| Vehicle | 8 years |
| Furniture & Fixture | 10 years |
| Office equipment | 5 years |

The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.Asset costing Rs. 5,000/- or less are depreciated fully in the year of acquisition.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**1.7 Impairment of assets**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

**1.8 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financials Asset**

Initial recognition and measurement

All financial assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Subsequent measurement**

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

a) Amortised cost,

b) At fair value (either through Other Comprehensive Income, or through profit or loss)

Financial Asset at amortized cost

A 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss.

Financial Asset at fair value through profit or loss

FVTPL is a residual category for Financial Assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

**Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments through Profit or loss

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss.

**De-recognition of Financial Asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or

- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets**

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Financial Liabilities**

**Initial recognition and measurement**

All financial liabilities are initially recognised at fair value of the respective contractual obligations.

**Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost. Any discount or premium on redemption /settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

**De-recognition of Financial Liabilities**

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

**1.9 Provisions, Contingent Liabilities & Contingent Assets**

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

A contingent liability is disclosed in case of;

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote;

Contingent assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

The Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.10 Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

**1.11 Trade and Other Payables:**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**1.12Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other Income in the statement of profit or loss due to its non- operating nature.

**Interest income**

Interest income is accounted on accrual basis at the contractual rates.

**1.13 Income Tax**

**Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred Income Tax**

Deferred income tax is provided using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The tax effect is calculated on the accumulated timing differences at the end of an accounting year based on prevailing enacted or substantially enacted regulations. Deferred income tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**1.14 Employee benefits**

**Short-term employee benefits:**

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Any excess or short provision in respect of the same is recognized in the statement of Profit and Loss in the subsequent years.

**Defined Contribution Plan**

Retirement benefit in the form of contribution to fund is defined contribution plan. The Company provides specific percentage of the payroll costs as contribution payable to the fund and the same is considered as expense. The Company does not have employees exceeding 20. Hence, the provisions of Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employees State Insurance Act, 1948 are not applicable.

**Defined Benefit Plan**

The Company does not have employees exceeding 10. Hence, the provisions of Gratuity Act, 1972 are not applicable.

**1.15 Cash and cash equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**1.16 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**1.17 Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of schedule VI, unless otherwise stated.

## Statement of changes in equity for the year ended 31st March, 2018

**A. Equity Share Capital** **(All amounts in INR thousands, unless otherwise stated)**

| Equity shares of INR 1 each issued, subscribed and fully paid | No. of Shares | Amount |
|---|---|---|
| At 1st April 2016 | 51,71,125 | 5,171.13 |
| Issue of share capital | - | - |
| **At 31st March 2017** | **51,71,125** | **5,171.13** |
| **Total Equity Share Capital** | **51,71,125** | **5,171.13** |
| **Equity shares of INR 1 each issued, subscribed and fully paid** | | |
| At 1st April 2017 | **51,71,125** | **5,171.13** |
| Issue of share capital | - | - |
| **At 31st March 2018** | **51,71,125** | **5,171.13** |
| **Total Equity Share Capital** | **51,71,125** | **5,171.13** |

**B. Other Equity**

| | Capital Reserve (Note 12) | Share Premium (Note 12) | Retained Earnings (Note 12) | Total Equity |
|---|---|---|---|---|
| At 1st April 2016 | 1,266.53 | 1,22,525.84 | (78,068.44) | 45,723.94 |
| Profit/(loss) for the year | | | (515.59) | (515.59) |
| **At 31st March 2017** | **1,266.53** | **1,22,525.84** | **(78,584.03)** | **45,208.34** |
| At 1st April 2017 | 1,266.53 | 1,22,525.84 | (78,584.03) | **45,208.34** |
| Profit/(loss) for the year | | | (587.18) | **(587.18)** |
| **At 31st March 2018** | **1,266.53** | **1,22,525.84** | **(79,171.21)** | **44,621.16** |

**See accompanying notes to the financial statements 1-20**

**As per our report of even date**

| | | | |
|---|---|---|---|
| **For V. Singhi & Associates** | **For and on behalf of the Board** | | |
| **Chartered Accountants** | **F.J. Guzdar** | **(T. R. SWAMINATHAN)** | |
| **Firm Registration No.: 311017E** | **Director** **DIN: 00205930** | **Director** | **Din: 00469558** |
| **Shirish Rahalkar** | **(S. R. LANDGE)** | **B.N. Shah** | |
| **Partner** | **C.F.O.** | **Company Secretary** | |
| **(V.K. Singhi)** | **(S. R. LANDGE)** | **B.N. Shah** | |
| **Partner** | **C.F.O.** | **Company Secretary** | |
| **Membership No.: 050051** | | | |

Place : Kolkata
Date : 25th May, 2018

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

**(All amounts in INR thousands, unless otherwise stated)**

**Note 2**
**Property, Plant and Equipment**

| Particulars | Furniture and Fixtures | Office equipments | Vehicles | Computers | Total |
|---|---|---|---|---|---|
| **Cost or Valuation** | | | | | |
| Deemed cost as at 1 April, 2016 | 0.42 | - | 120.73 | 14.14 | 135.29 |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Adjustments | - | - | - | - | - |
| **As at 31st March, 2017** | **0.42** | **-** | **120.73** | **14.14** | **135.29** |
| Additions | - | 17.19 | - | - | 17.19 |
| Disposals | - | - | - | - | - |
| Adjustments | - | - | - | - | - |
| **As at 31st March, 2018** | **0.42** | **17.19** | **120.73** | **14.14** | **152.48** |
| **Depreciation and Amortisation** | | | | | |
| At 1st April, 2016 | - | - | - | - | - |
| Additions | 0.22 | - | 39.84 | 7.52 | 47.58 |
| Disposals | - | - | - | - | - |
| Adjustments | - | - | - | - | - |
| **At 31st March, 2017** | **0.22** | **-** | **39.84** | **7.52** | **47.58** |
| Additions | 0.20 | 1.49 | 26.69 | 5.33 | 33.72 |
| Disposals | - | - | - | - | - |
| Adjustments | - | - | - | - | - |
| **At 31st March, 2018** | **0.42** | **1.49** | **66.53** | **12.86** | **81.30** |
| **Net Carrying Amount** | | | | | |
| At 31st March, 2018 | - | 15.70 | 54.20 | 1.28 | 71.18 |
| At 31st March, 2017 | 0.20 | - | 80.89 | 6.62 | 87.71 |
| At 1st April, 2016 | 0.42 | - | 120.73 | 14.14 | 135.29 |

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

(All amounts in INR thousands, unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 3** | | | |
| **Financial Assets** | | | |
| **Non- Current Investments** | | | |
| **Unquoted Equity Shares** | | | |
| Investment carried at fair value through P&L (FVTPL): | | | |
| -Investment in Equity Instruments | | | |
| 4,00,000 Equity Shares (P.Y. 4,00,000) of Rs. 10 each, fully paid of Cosepa Fiscal Industries Private Limited | 1,600.00 | 1,600.00 | 1,600.00 |
| Investment at Amortised Cost: | | | |
| -Investment in NHAI Bonds | 3,000.00 | - | - |
| | **4,600.00** | **1,600.00** | **1,600.00** |
| Aggregate amount of unquoted investments | **7,000.00** | **4,000.00** | **4,000.00** |
| Aggregate amount of impairment in value of investments | - | - | - |
| **Note 4** | | | |
| **Other Financial Assets** | | | |
| Non-Current Assets | | | |
| Bank Deposits: | | | |
| -Fixed deposits with banks: | | | |
| with maturity beyond 12 months* | **17,770.49** | **5,100.00** | **39,341.53** |
| | **17,770.49** | **5,100.00** | **39,341.53** |

**Note:**

* Includes Rs. 5,27,000/- under lien against guarantee issued on behalf of the Company.

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 5** | | | |
| **Other Non-Current Assets** | | | |
| Security Deposits with Others | **180.00** | **180.00** | **210.00** |
| | **180.00** | **180.00** | **210.00** |

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

(All amounts in INR thousands, unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 6** | | | |
| **Trade Receivables** | | | |
| Current Assets | | | |
| Unsecured, considered good by the management | 2,105.44 | 3,993.16 | 2,967.60 |
| | **2,105.44** | **3,993.16** | **2,967.60** |
| **Note 7** | | | |
| **Cash and Cash Equivalents** | | | |
| Current Assets | | | |
| Balances with Banks: | | | |
| - in current accounts | 2,327.20 | 1,082.26 | 1,605.44 |
| - deposits with original maturity of less than 3 months | 6,294.59 | - | - |
| | **8,621.79** | **1,082.26** | **1,605.44** |
| **Note 8** | | | |
| **Other Bank Balances** | | | |
| Current Assets | | | |
| Bank Deposits: | | | |
| -Fixed deposits with banks: | | | |
| with maturity between 3-12 months | 20,870.38 | 39,341.53 | 9,500.00 |
| | **20,870.38** | **39,341.53** | **9,500.00** |
| **Note 9** | | | |
| **Loans** | | | |
| Current Assets | | | |
| Unsecured, considered good | | | |
| To Related Party [ Refer Note 20 (c) ] | 30,000.00 | 30,000.00 | 25,000.00 |
| | **30,000.00** | **30,000.00** | **25,000.00** |
| **Note 10** | | | |
| **Other Current Assets** | | | |
| Others | | | |
| - Prepaid expenses | 14.53 | 9.44 | 17.45 |
| - Rent receivable | - | - | 24.08 |
| - Interest receivable on Bank deposits | 182.40 | 326.41 | 310.88 |
| - Interest receivable on NHAI Bonds | 89.75 | - | - |
| - Balances with Revenue Authorities (net) | 231.10 | - | - |
| | **517.78** | **335.85** | **352.41** |

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

(All amounts in INR thousands, unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 11** | | | |
| **Share Capital** | | | |
| **a)** Authorised share capital | | | |
| 14,75,00,000 Equity Shares of Re. 1/- each | **1,47,500.00** | **1,47,500.00** | **1,47,500.00** |
| 25,000 Cumulative Redeemable Preference shares of Rs. 100/- each | **2,500.00** | **2,500.00** | **2,500.00** |
| | **1,50,000.00** | **1,50,000.00** | **1,50,000.00** |
| **b) Issued, Subscribed and Paid up capital** | | | |
| 51,71,125 Equity shares of Re. 1/- each | 5,171.13 | 5,171.13 | 5,171.13 |
| | **5,171.13** | **5,171.13** | **5,171.13** |

**c)** In the FY 2010-11, there were 1,03,42,250 Equity shares of Rs. 0.50/- each which were consolidated into 51,71,125 Equity shares of Re. 1/- each.

**d) Terms/ Rights attached to Equity shares**

The Company has only one class of Equity shares with par value of Re. 1/- each. Each holder of Equity share is entitled to one vote per share.

**e) Reconciliation of the number of shares outstanding**

| Equity shares | 31st March 2018 | | 31st March 2017 | | 1st April 2016 | |
|---|---|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Shares outstanding at the beginning of the year | 51,71,125 | 5,171.13 | 51,71,125 | 5,171.13 | 51,71,125 | 5,171.13 |
| Shares outstanding at the end of the year | 51,71,125 | 5,171.13 | 51,71,125 | 5,171.13 | 51,71,125 | 5,171.13 |

**Notes forming part of the Financial Statements for the year ended 31st March, 2018**

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

| Name of the shareholdrers | As at 31st March 2018 | | As at 31st March 2017 | | As at 1st April 2016 | |
|---|---|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding | No. of shares | % Holding |
| **Equity shares of INR 1/- each fully paid** | | | | | | |
| Life Insurance Corporation of India | 1,080.35 | 21.00% | 1,080.35 | 21.00% | 1,080.35 | 21.00% |
| Mcleod Russel India Limited | 1,003.82 | 19.00% | 1,003.82 | 19.00% | 1,003.82 | 19.00% |
| Bishnauth Investments Limited | 766.06 | 15.00% | 766.06 | 15.00% | 766.06 | 15.00% |
| Gokul Vanijya (P) Limited | 455.37 | 9.00% | 455.37 | 9.00% | 455.37 | 9.00% |
| Williamson Magor & Co Limited | 288.63 | 6.00% | 288.63 | 6.00% | 288.63 | 6.00% |

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

(All amounts in INR thousands, unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 12** | | | |
| **Other Equity** | | | |
| Particulars | 1,266.53 | 1,266.53 | 1,266.53 |
| Share Premium | 1,22,525.84 | 1,22,525.84 | 1,22,525.84 |
| Retained Earnings | (79,171.21) | (78,584.03) | (78,068.44) |
| | **44,621.16** | **45,208.34** | **45,723.94** |
| **Note 13** | | | |
| **Other Current Liabilities** | | | |
| Liabilities for Expenses | **11,206.76** | **9,851.03** | **10,275.41** |
| Salaries and Wages Payable | **7,635.93** | **6,521.46** | **6,643.34** |
| Statutory Liabilities | 4,510.94 | 4,476.21 | 4,484.93 |
| Annuity Payable | 132.13 | 128.29 | 129.16 |
| | **23,485.75** | **20,976.99** | **21,532.83** |
| **Note 14** | | | |
| **Current Tax Liabilities (Net)** | | | |
| Provision for Income Tax (Net of Advance Tax Rs. 18,282.70, previous Year Rs. 17,595.42) | 11,459.00 | 10,364.04 | 8,284.36 |
| | **11,459.00** | **10,364.04** | **8,284.36** |

(All amounts in INR thousands, unless otherwise stated)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| **Note 15** | | |
| **Revenue from Operations:** | | |
| Sale of products | | |
| - Sale of goods | 1,784.27 | 2,435.56 |
| | **1,784.27** | **2,435.56** |

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| | (All amounts in INR thousands, unless otherwise stated) | |
| **Note 16** | | |
| **Other Income** | | |
| Interest Income | | |
| - Interest on Fixed Deposits | 3,272.67 | 3,752.88 |
| - Interest on ICD | 3,600.00 | 3,196.93 |
| - Interest on NHAI Bonds | 89.75 | - |
| - Interest on Income Tax Refunds | - | 30.20 |
| - Excess Provision written back | 96.93 | - |
| Other non-operating income | | |
| - Rental income | 96.30 | 96.30 |
| | **7,155.65** | **7,076.31** |
| **Note 17** | | |
| **Purchases of Stock-in-trade** | | |
| Puchases of Goods | 1,700.92 | 2,333.50 |
| | **1,700.92** | **2,333.50** |
| **Note 18** | | |
| **Employee Benefits Expense** | | |
| Salaries and Wages* | 4,882.41 | 1,329.27 |
| Contributions to Other Funds | 126.00 | 126.00 |
| Staff Welfare Expenses | 82.50 | 85.13 |
| | **5,090.90** | **1,540.39** |

*Includes Rs. 2,371.97 paid/payable on settlement of long pending dispute by Industrial Court at Mumbai by entering into memorandum of settlement dated 23.02.2018 under provisions of Industrial Dispute Act, 1947.

## Notes forming part of the Financial Statements for the year ended 31st March, 2018

(All amounts in INR thousands, unless otherwise stated)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Note 19** | | | |
| **Other expenses** | | | |
| Electricity Charges | | 63.96 | 97.02 |
| Rent | | 671.75 | 793.20 |
| Rates & Taxes | | 19.11 | 84.46 |
| Repairs & Maintenance | | | |
| - To Office Premises | | 12.46 | 13.15 |
| - To Others Assets | | 28.49 | 20.56 |
| Insurance charges | | 20.31 | 22.16 |
| Postage and Telegram | | 126.83 | 185.31 |
| Printing and stationery | | 84.36 | 101.05 |
| Vehicle Expenses | | 132.06 | 248.14 |
| Travelling and Conveyance | | 453.20 | 310.96 |
| Communication Expenses | | 51.14 | 59.29 |
| Service Charges | | 34.85 | 134.35 |
| Payment to Auditor | | | |
| - As audit fees | | 125.00 | 125.00 |
| - For reimbursement of expenses | | 3.00 | - |
| Miscellaneous Expenses | | 561.59 | 528.59 |
| Legal & Professional Fees | | 1,401.00 | 1,183.82 |
| Directors Sitting Fees | | 105.00 | 95.00 |
| Warehousing Charges | | 25.21 | - |
| | | **3,919.32** | **4,002.05** |

**Note 20 – Other Information**

**a) Contingent liabilities not provided for)**

(Amounts in INR, thousands)

| | As at 31st March 2018 | As at 31st March 2017 |
|---|---|---|
| **1.** Claims against the company not acknowledgement as debt: | | |
| i) Termination/ Retirement Benefits | 511.02 | 488.10 |
| ii) Others | 1012.91 | 1012.91 |
| 2. In respect of guarantee issued by Bank on behalf of the Company. | 527.00 | 527.00 |

**b) Disclosure requirement under MSMED Act, 2006**

As required to be disclosed under Micro, Small & Medium Enterprises Development Act, 2006 and to the extent such parties are identified on the basis of information available with the Company, there are no Micro enterprises or Small scale enterprises to whom the Company owes any due which are outstanding for more than 45 days as at 31st March 2018.

**c) Related Party Disclosures**

The Management has identified Related Party in accordance with Indian accounting Standard – 24 on "Related Party Disclosures"

**i. Key Management Personnel of the entity:**

Mr. Farok J. Guzdar (Whole-Time Director)

Mr. Shamrao R. Landge (Chief Financial Officer)

Mr. Bhupendra N. Shah (Company Secretary)

**ii. Other related parties:**

Cosepa Fiscal Industries Private Limited

Williamson Financial Services Limited

**iii. Transactions with related parties:**

Transactions during the year: **(Amount in INR thousand)**

| Sr. No | Name of Related party | Nature of transaction | For the year ended 31st March 2018 | For the year ended 31st March 2018 |
|---|---|---|---|---|
| 1. | Mr. Farok J Guzdar | Managerial Remuneration | 1027.48 | 1226.46 |
| 2. | Mr. Shamrao R. Landge | Salary and Leave encashment | 233.70 | 197.75 |
| 3. | Mr. Bhupendra N. Shah | Salary | 180.00 | 180.00 |
| 4. | Cosepa Fiscal Industries Private Limited | Rental income | 22.50 | 90.00 |
| 5. | Williamson Financial Services Limited | Interest received on loans and advances | 3600.00 | 3196.93 |
| 6. | Williamson Magor and Co. Limited | Rental income | 96.30 | 96.30 |

**iv. Balances as on 31st March:**

**(Amount in INR thousand)**

| Sr. No. | Particulars | As on 31st March, 2018 | As on 31st March, 2017 |
|---|---|---|---|
| **1.** | **Williamson Financial Services Limited** | | |
| | Opening Balance - Receivable / (Payable) | 30000.00 | 30000.00 |
| | Add : Advances paid / received | - | - |
| | **Closing Balance - Receivable / (Payable)** | **30000.00** | **30000.00** |
| **2.** | **Cosepa Fiscal Industries Private Limited** | | |
| | Opening Balance - Investment in equity shares | 1600.00 | 1600.00 |
| | **Closing Balance - Investment in equity shares** | **1600.00** | **1600.00** |

**d)** Balances in trade payables and receivable, advances and deposits are subject to confirmation and reconciliation. Adjustments, if any, will be made on completion of this progress.

**e)** The claim of the Company for set off of brought forward business losses and unabsorbed depreciation has been disallowed under the provisions of the Income Tax Act on the ground of discontinuity of business on and from the Assessment Year 2007-08 and the Company has filed an appeal before Hon'ble Bombay High Court. In subsequent years, upto A.Y. 2011-12 the department has also denied set off of brought forward losses and unabsorbed depreciation and appeals filed before CIT(A) Hon'ble ITAT are pending before appellate authorities. However, the Company continues to claim set off of brought forward losses and unabsorbed depreciation and as a prudence necessary provisions have been made for the year and earlier years.

**f)** In the opinion of the Management, the value of realization of Current and Non Current Assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

**g) Financial Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

| 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 | |
| Credit ratings | Diversification of bank deposits. | | |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| 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 |

**h) Deferred Income Tax**

As there is no reasonable certainty that sufficient future taxable income will be available against which deferred income tax assets can be realized therefore, no deferred income tax assets have been recognized in the books.

In the absence of virtual uncertainty of sufficient future taxable income, the Company has not recognized deferred income tax asset on unabsorbed depreciation and carry forward losses under Income Tax Laws.

**i) Exceptional items**

During the year ended 31st March, 2018, there was a sale of tenancy rights of showroom at Kolkata for a consideration of Rs. 3000.00/- ( INR in thousand).

**j) Earnings Per Share (EPS)**

Calculation of Earnings Per Share is as follows: (Amount in INR thousand)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| Profit/(Loss) attributable to equity holders of the Company | | |
| -Continuing operations | (587.17) | (515.59) |
| -Discontinued operation | - | - |
| Profit/(Loss) attributable to equity holders of the Company for basic earnings | (587.17) | (515.59) |

| | | |
|---|---|---|
| Weighted average number of equity shares for basic & Diluted EPS | 5171.125 | 5171.125 |
| Basic EPS | (0.11) | (0.10) |
| Diluted EPS | (0.11) | (0.10) |

**k) Segment Information**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the company, in deciding how to allocate resources and assessing performance.

The Company is operating in one business segment only i.e. trading in steel and metals. Hence, segment information as required under "Ind AS 108 – Operating segment" is not applicable to the Company.

**l) First-time adoption of Ind AS**

These financial statements of The Standard Batteries Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note below.

**Exemptions and exceptions availed**

**Ind AS optional Exemptions**

**Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .

Accordingly, the Company has elected to measure all of its property, plant and equipment at previous IGAAP value.

**Ind AS mandatory exceptions:**

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in financial instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**m) Reconciliation between previous GAAP and Ind AS:**

Ind AS 101 requires an entity to reconcile equity, Total Comprehensive Income and cash flows for prior periods. Since there are no adjustments to equity, statement of profit and loss and statement of cash flows between IGAAP.

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 31st March 2016 |
|---|---|---|---|---|
| A | **Non Current Investments** | | | |
| i. | **Investments as per GAAP (Indian GAAP)** | **1600.00** | **1600.00** | **4000.00** |
| ii. | Effect of adjustments: Provision for diminution in value of shares | - | - | 2400.00 |
| iii. | **Investments as per IND AS** | **1600.00** | **1600.00** | **1600.00** |
| B | **Diminution in value of shares** | | | |
| i. | **Provision for diminution in value of shares as per GAAP (Indian GAAP)** | - | - | 2400.00 |
| | | - | - | |
| ii. | Effect of adjustments: Provision for diminution in value of shares | - | - | 2400.00 |
| | | - | - | |
| iii. | **Provision for diminution in value of shares as per IND AS** | - | - | - |

**n)** Previous year figures have been regrouped / rearranged wherever necessary.

**Signature to Notes 1-20**

**For V. Singhi & Associates**
**Chartered Accountants**
**Firm Registration No.: 311017E**

**For and on behalf of the Board**

**F.J. Guzdar**
**Director DIN: 00205930**

**(T. R. SWAMINATHAN)**
**Director Din: 00469558**

**Shirish Rahalkar**
**Partner**

**(S. R. LANDGE)**
**C.F.O.**

**B.N. Shah**
**Company Secretary**

**(V.K. Singhi)**
**Partner**
**Membership No.: 050051**

**(S. R. LANDGE)**
**C.F.O.**

**B.N. Shah**
**Company Secretary**

Place : Kolkata
Date : 25th May, 2018