NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

1 Company Overview

1.1 Company information:

GOCL Corporation Limited (the 'Company') is a public limited Company domiciled in India, with its registered office situated at IDL Road, Kukatpally, Hyderabad-500 072, Telangana. The Company is in the business of Energetics, Mining & Infrastructure Services and Realty. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

1.2 Basis of preparation

A. Statement of compliance:

a) Financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act.

b) These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2021

c) The financial statements were authorised for issue by the Company's Board of Directors on June 29, 2021

d) Details of the Company's accounting policies are included in Note 2.

B. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

C. Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment:

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the financial statements."

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

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

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Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements."

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

I) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is expected to be realised within 12 months after the reporting date; or

iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i) it is expected to be settled in the Company's operating cycle;

ii) it is held primarily for the purpose of being traded;

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

iii) it is due to be settled within 12 months after the reporting date; or

iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. 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 or non-current classification of assets and liabilities.

a. Foreign currency transactions:

The financial statements are presented in Indian rupees, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the statement of profit and loss.

b. Financial instruments:

i. Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement:

Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- Fair Value through other comprehensive income (FVOCI)– equity investment; or

- Fair value to profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses:	
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the statement of profit and loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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

iii. Derecognition:

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

iv. Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

v. Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss account. Derivatives are carried as financial asset when the fair value is positive and as financial liability when fair value is negative.

c. Property, plant and equipment and capital work-in-progress:

i. Recognition and measurement:

Property, plant and equipment:

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Capital work-in-progress:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

Leasehold land and leasehold improvements are amortised over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the Management, which are equal to the life prescribed under the Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets:

i. Recognition:

Other intangible assets are initially measured at the cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as incurred.

iii. Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Years
-Software	6

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

e. Investment property:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined either by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued or stamp duty price available on the government website/ with the registration and stamps department.

Disposals

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined 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 on the date of retirement or disposal.

f. Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Impairment:

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables including unbilled receivables and contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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 the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An assessment is made at each reporting date 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 estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Goodwill has indefinite useful life and tested for impairment annually.

h. Employee benefits:

Short-Term Employee Benefits

Short-term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

Eligible employees of the company receive benefits from provident fund, which is defined contribution plan. Both the eligible employees and the company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The company has no further obligation to the plan beyond its monthly contributions.

Defined benefit plans:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The parent company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

ii. Compensated absences:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

Bonus plans:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a contractual obligation.

i. Revenue

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application being included in retained earnings.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods and Service Taxes (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Sale of goods:

The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Export incentives are accounted for to the extent considered recoverable by the management."

Sales of services:

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

An estimate is made for powder factor or price fall clause provision and a corresponding liability is recognised for this amount using a best estimate based on accumulated experience.

The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period

j. Recognition of interest income or expense, guarantee commission income and dividend:

Interest income is recognized on a time proportion basis considering the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

"Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

The Company has adopted gross approach under Ind AS 109 and has recorded corporate guarantee liability and asset equivalent to the fair value of the future premium receivable. The fair value of the financial guarantee contract at inception is likely to equal the premium receivable over the agreement period. The Company recognizes a liability for the amount of premium to be receivable over the period and subsequently measure the financial guarantee contract at the higher of the amount of loss allowance determined in accordance with Ind AS 109 and the amount initially recognised, less cumulative amount of income recognised (based on amortisation of the premium) in accordance with Ind AS.Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in Statement of Profit and Loss."

Revenue is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included

under the head 'Other income' in the statement of profit and loss.

k. Income-tax:

Income-tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable statement of profit and loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l. Borrowing cost:

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. Interest income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest expense on borrowings is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

m. Provision, contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts:

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

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(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Contingent liabilities and continent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

n. Earnings per share:

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

o. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

p. Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

q. Biological assets:

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

r. Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

S. Leases:

As a lessee

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

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

As a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Operating lease receipt are recognised as income in the statement of profit and loss on a straight-line basis over the lease term.

As per IND AS 116 applicable w.e.f. April 1, 2019

Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

(All amounts are in Indian Rupees Lakhs except share data unless otherwise stated)

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Company as a lessor:

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.

t. Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1 2021.

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

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities' duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables trade payables capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements compliance with number of layers of companies title deeds of immovable property not held in name of company loans and advances to promoters directors key managerial personnel (KMP) and related parties details of benami property held etc.

Statement of profit and loss:

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

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

(All amounts are in Indian Rupees Lakhs except share data unless otherwise stated)

Note 3 Property plant and equipment and capital work -in-progress

Description of Assets	Land-Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Computers	ROU Assets (Ref note 38)	Total	Capital work-in-progress
I. Gross carrying amount										
(at cost or deemed cost)										
Balance as at March 31, 2019	85.17	1036.28	990.88	76.18	60.31	141.03	61.02	-	2450.87	1313.78
Additions	-	82.80	605.20	10.82	15.81	14.78	26.00	89.18	844.59	696.91
Disposals	-	-	-	(1.27)	-	-	(1.21)	-	(2.48)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(754.90)
Balance as at March 31, 2020	**85.17**	**1119.08**	**1596.08**	**85.73**	**76.12**	**155.81**	**85.81**	**89.18**	**3292.98**	**1255.79**
Additions	-	64.55	340.24	3.32	4.84	-	23.38	-	436.33	428.64
Disposals	-	-	(1.57)	(0.59)	-	-	-	-	(2.16)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(436.60)
Balance as at March 31, 2021	**85.17**	**1183.63**	**1934.75**	**88.46**	**80.96**	**155.81**	**109.19**	**89.18**	**3727.15**	**1247.83**
II. Accumulated depreciation										
Balance as at March 31, 2019	-	111.15	118.55	38.20	23.98	72.32	7.83	-	372.03	-
Depreciation expense for the year	-	60.40	99.72	6.56	11.33	31.15	16.79	29.73	255.68	-
Disposals	-	-	-	(1.27)	-	-	(1.21)	-	(2.48)	-
Balance as at March 31, 2020	-	171.55	218.27	43.49	35.31	103.47	23.41	29.73	625.23	-
Depreciation expense for the year	-	76.76	135.00	6.57	12.87	24.95	16.89	29.73	302.77	-
Disposals	-	-	(0.64)	(0.52)	-	-	-	-	(1.16)	-
Balance as at March 31, 2021	**-**	**248.31**	**352.63**	**49.54**	**48.18**	**128.42**	**40.30**	**59.46**	**926.84**	**-**
Net carrying amount :										
Balance as at March 31, 2020	**85.17**	**947.53**	**1377.81**	**42.24**	**40.81**	**52.34**	**62.40**	**59.45**	**2667.75**	**1255.79**
Balance as at March 31, 2021	**85.17**	**935.32**	**1582.12**	**38.92**	**32.78**	**27.39**	**68.89**	**29.72**	**2800.31**	**1247.83**

Note:

(i) Refer to note 20 for information on property, plant and equipment pledged as security by the Company.

(ii) Refer to note 35 for disclosure of contractual commitments against security of property, plant and equipment.

(iii) Capital work in progress mainly comprises of project under constructions.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 4 Investment properties

Description of Assets	Land	Buildings	Total
I. Gross carrying amount			
Balance as at March 31, 2019	29276.84	69.07	29345.91
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2020	29276.84	69.07	29345.91
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2021	**29276.84**	**69.07**	**29345.91**
II. Accumulated depreciation			
Balance as at March 31, 2019	-	6.01	6.01
Depreciation expense for the year	-	1.95	1.95
Disposals	-	-	-
Balance as at March 31, 2020	-	7.96	7.96
Depreciation expense for the year	-	2.09	2.09
Disposals	-	-	-
Balance as at March 31, 2021	**-**	**10.05**	**10.05**
Net carrying amount :			
Balance as at March 31, 2020	**29276.84**	**61.11**	**29337.95**
Balance as at March 31, 2021	**29276.84**	**59.02**	**29335.86**

Particulars	March 31, 2021	March 31, 2020
Rental Income derived from investment property	186.72	193.20
Direct operating expenses that generated rental income during the year	276.87	295.39
Direct operating expenses that did not generated rental income during the year	1.89	1.37
Loss arising from Investment property before depreciation	(92.04)	(103.56)
Less: Depreciation	(2.09)	(1.95)
Loss arising from Investment property	**(89.95)**	**(101.61)**

The fair value of investment property is ₹ 260,811.30 (March 31, 2020 is ₹116,121.63) based on market assessable data.

The best evidence of fair value is current prices in an active market for similar properties. Though the Company measures investment property using cost based measurement, the fair value of investment property has been determined by external, independent valuer having appropriate recognised professional qualification and recent experience in the location and category of the property valued. The major inputs used are location, locality, facilities, amenities, quality of construction, residual life of building, business potential, supply and demand, local nearby enquiry, market feedback of investigation and Ready Reckoner published by the Government.

All resulting fair value estimates for investment properties are included in level 3.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 5 intangible assets

Description of Assets	Computer software	Total
I. Gross carrying amount (as cost or demend cost)		
Balance as at March 31, 2019	45.67	45.67
Additions	0.62	0.62
Disposals	-	-
Balance as at March 31, 2020	46.29	46.29
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**46.29**	**46.29**
II. Accumulated depreciation and impairment		
Balance as at March 31, 2019	29.99	29.99
Amortisation expense for the year	12.34	12.34
Disposals	-	-
Balance as at March 31, 2020	42.33	42.33
Amortisation expense for the year	2.37	2.37
Disposals	-	-
Balance as at March 31, 2021	**44.70**	**44.70**
Net carrying amount:		
Balance as at March 31, 2020	**3.96**	**3.96**
Balance as at March 31, 2021	**1.59**	**1.59**

Note 6 Biological assets other than bearer plants

Particulars	As at March 31, 2021	As at March 31, 2020
Live stock	36.50	36.50
Total	**36.50**	**36.50**

Reconciliation of carrying amount

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	36.50	36.50
Change in fair value	-	-
Purchase of cattle	-	-
Cattle sold/ discarded during the year	-	-
Closing balance at the end of the year	**36.50**	36.50

As at March 31, 2021 there were 109 cattle (March 31, 2020: 109 cattle) as matured biological assets.

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined on the basis of the best available quote from the nearest market to the farm and on the basis of age of the cattle.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 7 Investments

	As at March 31, 2021	As at March 31, 2020
I Investment carried at cost		
In equity instrument (Unquoted) fully paid-up in Subsidiaries		
IDL Explosives Limited 6,050,000 (March 31, 2020: 6,050,000) Equity Shares of ₹ 10 each.	605.00	605.00
IDL Explosives Limited 1,815,000 (March 31, 2020: 1,815,000) Equity Shares of ₹10 each (including additional premium of ₹95 each)	1905.75	1905.75
Deemed investment in IDL Explosives limited	1067.72	957.92
HGHL Holdings Limited 100,000 (March 31, 2020 :100,000) Equity Shares of GBP 1 each	87.46	87.46
Total Investment in Subsidiaries	**3665.93**	**3556.13**
II Investments (Carried at fair value through Profit or Loss)		
In equity instrument (Quoted)		
Hinduja Global Solutions Limited 48 (March 31, 2020 : 48) Equity Shares of ₹10 each fully paid-up	0.83	0.25
Hinduja Ventures Limited 48 (March 31, 2020 : 48) Equity Shares of ₹ 10 each fully paid-up	0.21	0.11
Indusind Bank Limited 400 (March 31, 2020: 400) Equity Shares of ₹45 each fully paid -up	3.81	1.41
Total (A)	**4.85**	**1.77**
Investments (Carried at fair value through Profit or Loss)		
In equity instrument (Unquoted)		
Others		
IDL Chemicals Employees' Co-operative Credit Society Limited 500 (March 31, 2020 : 500) Equity Shares of ₹10 each fully paid-up	0.37	0.37
Mangalam Retail Services Limited 12,490 (March 31, 2020:12,490) Equity Shares of ₹10 each fully paid-up	1.68	1.68
Total (B)	**2.05**	2.05
Other Investment (Quoted)		
UTI Bond Fund of Unit Trust of India 27,978 units (March 31, 2020:27,978 units) of ₹ 10 each fully paid-up	15.13	14.07
Total (C)	**15.13**	14.07
Total (A+B+C)	**22.03**	**17.89**
Grand Total (I+II)	**3687.96**	**3574.02**
Notes:		
1 Aggregate book value of quoted investments	19.98	15.84
2 Aggregate market value of quoted investments	19.98	15.84
3 Aggregate cost of unquoted investments	3667.98	3558.18
4 Aggregate amount of impairment in value of investments	-	-

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 8 Other financial assets

(Unsecured considered good, unless otherwise stated)	As at March 31, 2021 Non-current	As at March 31, 2021 Current	As at March 31, 2020 Non-current	As at March 31, 2020 Current
Security deposits				
- Unsecured, considered good	73.91	26.22	81.53	62.29
- Unsecured, considered doubtful	44.51	-	14.51	-
Less : Allowance for bad and doubtful deposits	(44.51)	-	(14.51)	-
	73.91	26.22	81.53	62.29
Interest accrued	-	72.02	-	330.92
Other receivable				
- Financial guarantee asset (Refer note 35(2))	3971.16	939.46	4620.21	1069.72
- Related party (Refer note 36)	-	61.28	-	370.72
- Advance paid towards purchase of equity (Refer note 41 (I))	3500.00	-	-	-
- Others assets	-	41.35	-	67.06
Bank deposits more than 12 months	-	-	123.18	-
	7471.16	1114.11	4743.39	1838.42
	7545.07	**1140.33**	**4824.92**	**1900.71**

Notes:
The Company's exposure to credit currency risks and loss allowances related to other financial assets are disclosed in note 33.
For details of current assets hypothecated against borrowings of the Company refer note 20

Note 9 Other assets

(Unsecured considered good, unless otherwise stated)	As at March 31, 2021 Non-current	As at March 31, 2021 Current	As at March 31, 2020 Non-current	As at March 31, 2020 Current
Capital advances	43.39	-	1.69	-
Other than capital advances				
Prepayments	41.81	111.90	63.07	81.56
Balance with government authorities*	1855.11	117.15	1752.61	211.62
Less: Provision for amount paid under protest	-	(37.60)	-	(37.60)
Gratuity fund (Refer note 34)	51.38	-	29.92	-
Advances to employees	-	0.52	-	0.91
Advance to suppliers and service providers	-	87.68	-	300.88
	1991.69	**279.65**	**1847.29**	**557.37**

*These amounts are net of amount paid/ adjusted under protest

Note 10 Inventories

	As at March 31, 2021	As at March 31, 2020
Raw Materials	594.67	645.44
Work-in-Progress	426.69	495.41
Finished Goods*	693.41	527.51
Stock-in-Trade	0.52	1.10
Stores and Spares	49.93	55.99
Packing Materials	48.73	83.23
	1813.95	**1808.68**

*Write down of inventories to net realizable value amount to ₹ 458.17 (March 31, 2020: ₹424.89)
There are no material in transit as at March 31, 2021.

Note 11 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Trade receivables - Current		
Considered good - secured	-	37.27
Considered good - unsecured	1923.35	1709.62
significant increase in credit risk	69.34	81.28
Less: Loss allowance	(69.34)	(81.28)
credit impaired	1375.26	1368.55
Less: Loss allowance	(1375.26)	(1368.55)
	1923.35	**1746.89**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 33
Refer note 36 for receivable from related party.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 12 Cash and bank balances

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Cash on hand	2.35	3.70
Balances with Banks:		
In current accounts	454.41	78.78
In EEFC account	61.53	107.32
In Deposit accounts with original maturity of 3 month or less	-	155.46
Total Cash and cash equivalents	**518.29**	345.26
Other bank balances		
Deposits with original maturity of less than 12 months.	125.63	715.81
In Earmarked balances with banks		
Unpaid dividend accounts	81.41	86.49
Deposits held as margin money	340.21	412.68
Total Other bank balances	**547.25**	1214.98
Total Cash and bank balances	**1065.54**	1560.24

Note 13 Loans

(Unsecured considered good, unless other wise stated)

	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
To wholly owned subsidiaries				
IDL Explosives Limited (Refer note below)	2963.93	-	3011.99	-
	2963.93	**-**	**3011.99**	**-**

Note:

In 2012-13, Inter-Corporate Deposit (ICD) of ₹ 3,103.87 (As at March 31, 2020: ₹ 3,103.87) was given to IDL Explosives Limited (100% subsidiary company). During the year 2017-18, the loan was mutually agreed to be repaid by March 31, 2021. Subsequently, during the year 2020-21, the Board of Directors of IDL Explosives Limited had proposed to extend the repayment date till April 1, 2024 and the same has been approved by the Company vide letter dated August 7, 2020. Interest rate on the above is in the range of 8.25% - 10.45% per annum (2019-20: 10.45% per annum). The above ICD has been disclosed at fair value.

Note 14 Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorized share capital:		
105,427,510 (March 31 , 2020 :105,427,510) Equity Shares of ₹ 2 each	2108.55	2108.55
Issued, subscribed and fully paid -up:		
49,572,490 (March 31, 2020 : 49,572,490) Equity Shares of ₹ 2 each	991.45	991.45
	991.45	991.45

Notes

a. Reconciliation of the number of shares outstanding:

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	49572490	991.45	49572490	991.45
Add : Issued and allotted during the year	-	-	-	-
At the end of the year	**49572490**	**991.45**	49572490	991.45

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

b. Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2021		As at March 31, 2020	
	No.of Shares	% holding	No.of Shares	% holding
Fully paid equity shares				
Hinduja Capital Limited (Mauritius)* (Holding Company)	36600791	73.83%	37146791	74.93%
c. Shares of the company held by holding/ultimate holding company				
Hinduja Capital Limited (Mauritius)* (Holding Company)	36600791	73.83%	37146791	74.93%

* During the year 2019-20, the name of the Holding Company has changed from Hinduja power Limited (Mauritius) to Hinduja Capital Limited (Mauritius)

d. Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having at par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote 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 shall be according to the members right and interest in the Company.

During the five years period ended March 31, 2021 no shares have been bought back/ issued for consideration other than Cash and no bonus shares have been issued.

Note 15 Other equity

	As at March 31, 2021	As at March 31, 2020
General reserve	12572.33	12572.33
Retained earnings	25949.97	24020.29
Capital reserve	0.75	0.75
Balance at the end of the year	**38523.05**	36593.37

Note: Refer statement of changes in equity for movement in other reserves

General reserve :

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Capital reserve:

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

Note 16 Other financial liabilities

	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Financial guarantee liabilities (Refer note 35 (2))	3907.31	795.24	4867.78	822.15
Lease liabilities (Refer note 39)	-	32.73	32.73	29.63
Interest accrued but not due on borrowings	-	0.13	-	5.79
Unpaid dividends	-	81.41	-	86.49
Others				
(i) Payables for capital goods	-	91.37	-	71.49
(ii) Trade deposits received	-	97.55	-	108.31
(iii) Employee payables	-	395.60	-	119.77
(iv) Payable for expenses	-	42.55	-	44.62
	3907.31	**1536.58**	**4900.51**	**1288.25**

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 17 Provisions

	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Employee benefits:				
-Compensated absences (Refer note 34)	90.58	72.03	76.05	61.55
	90.58	**72.03**	76.05	61.55
Provision for -				
- Indirect taxes (Refer note 35 (5))	8377.96	**61.48**	8377.96	61.48
- Claims and others	937.47	-	212.47	-
	9315.43	**61.48**	8590.43	61.48
	9406.01	**133.51**	8666.48	123.03

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for company to estimate the timing of provision utilisation and cash outflows, if any pending resolution.

Note 18 Income taxes

18.1 Deferred tax (liabilities)/assets

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	616.02	364.51
Deferred tax liabilities	(256.08)	(185.89)
	359.94	178.62
MAT Credit entitlement	**254.03**	105.13
	613.97	283.75

Movement in deferred tax balances

2020-21	Opening Balance	Recognised/ (reversed)in statement of profit/loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & amortization of property , plant and equipment	(87.91)	(51.05)	-	**(138.96)**
Provision for doubtful debts / advances	176.37	18.45	-	**194.82**
Expenses not allowable for tax purposes when paid/(written off)	38.28	220.19	-	**258.47**
Indexation benefit on land	135.35	12.73	-	**148.08**
Remeasurements of defined benefit obligation under OCI	14.51	-	0.14	**14.65**
Fair valuation of non-current Investment	(1.93)	(0.62)	-	**(2.55)**
Financial guarantee	-	(60.59)	-	**(60.59)**
Interest unwinding on ICD	(81.82)	41.07	-	**(40.75)**
Rental Income on straight line method	(14.23)	1.00	-	**(13.23)**
Total	**178.62**	**181.18**	**0.14**	**359.94**

2019-20	Opening Balance	Recognised/ (reversed)in statement of profit/loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to				
Depreciation & amortization of property , plant and equipment	(30.31)	(57.60)	-	**(87.91)**
Provision for doubtful debts / advances	180.89	(4.52)	-	**176.37**
Expenses not allowable for tax purposes when paid/(written off)	51.29	(13.01)	-	**38.28**
Indexation benefit on land	135.58	(0.23)	-	**135.35**
Re measurements of defined benefit obligation under OCI	7.94	-	6.57	**14.51**
Fair valuation of non-current Investment	(4.19)	2.26	-	**(1.93)**
Financial guarantee	(23.09)	23.09	-	**-**
Interest unwinding on ICD	(58.81)	(23.01)		**(81.82)**
Rental Income on straight line method	(16.73)	2.50	-	**(14.23)**
Total	**242.57**	**(70.52)**	**6.57**	**178.62**

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

18.2 Income -tax assets and liabilities

	As at March 31, 2021	As at March 31, 2020
Non-current tax assets (net)		
Income tax asset (net of provision for tax)	1122.06	1,220.40
	1122.06	1,220.40

18.3 Tax Expense

a) Recognised in statement of profit and loss

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
In respect of the current year	1010.00	78.00
	1010.00	78.00
Deferred tax expenses/ (income) related:		
In respect of the current year	(181.18)	70.52
MAT credit utlisation/ (entitlement)	(162.78)	(70.00)
	(343.96)	0.52
b) Recognised in other comprehensive Income		
Deferred tax		
In respect of the current year	0.14	6.57
	0.14	6.57
c. Reconciliation of effective tax		
Profit before tax	5570.40	310.77
Income tax expense calculated at 29.12% (2019-20 27.82%)	1622.10	86.46
Impact of reversal on temporary differences	78.78	64.64
Impact of income exempt from tax	(872.06)	(2.58)
MAT credit utilisation/ (entitlement)	(162.78)	(70.00)
Income tax expense recognized in profit or loss	**666.04**	**78.52**

Note 19 Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advance from customers	285.98	195.56
Statutory liabilities	166.85	62.14
Other payables	-	219.66
	452.83	477.36

Note 20 Current borrowings

Loan repayable on demand		
from Banks	285.61	537.37
	285.61	537.37

Note:

Details of Security:

Cash credit facilities from Consortium banks are secured by hypothecation of all current assets of the Company including raw materials, finished goods, stock-in-process, stores and spares (not relating to plant and equipment) and present and future book debts of the Company ranking pari-passu and collateral security by (i) first pari-passu charge by way of equitable mortgage on the land owned by the Company admeasuring 8 acres situated at Kukatpally, Hyderabad and (ii) second pari-passu charge on buildings, plant and equipment of Energetics Division at Hyderabad charged to other term/working capital lenders. Interest rate for the above is in the range of 7.9% - 10% (2019-20: 9% - 10%)

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 21 Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables - current		
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises		
Acceptances	29.36	41.30
Other than acceptances	2303.88	2019.09
	2333.24	2060.39

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-
- Principal		
- Interest		
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 33

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 22 Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	8737.36	8996.11
Service income	608.46	244.17
Other operating revenue	424.24	387.76
	9770.06	9628.04
a. Revenue disaggregation by geography:		
India	7228.50	7147.41
Rest of the world	2541.56	2480.63
	9770.06	9628.04
b. Reconciliation of revenue with contract price		
Contract price	9826.76	9644.97
Less: Adjustments for quantity discounts and testing charges	(56.70)	(16.93)
	9770.06	9628.04
c. Changes in contract liabilities:		
Balance at the beginning of the year	195.56	28.00
Less:- Amount recognised as revenue/other adjustments during the year	(185.27)	(28.00)
Add:- Amount received during the year	275.60	195.56
	285.98	195.56
Expected revenue recognition from remaining performance obligations:		
Within one year	285.98	185.27
More than one year	-	10.29
	285.98	195.56
d. Contract balances:		
Trade receivables	**1923.35**	1746.89
Contract liabilities	**285.98**	195.56

Trade receivables are non-interest bearing. Contract liabilities include advance from customers.

e. Performance obligation:

In relation to information about Company's performance obligations in contracts with customers [Refer note 2(I)].

Note 23 Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
Deposits with banks and others	412.32	494.81
Income Tax refund	16.24	7.55
Financial assets at amortised cost	61.73	89.40
	490.29	591.76
Dividend income from		
Subsidiaries	3098.37	-
Others	0.02	0.02
	3098.39	0.02
Fair value gain or (loss)		
Net gain on financial assets measured at fair value through profit or loss	4.15	-
Other Income		
Commission on corporate guarantees given	2815.78	634.59
Provision no longer required written back	17.16	97.64
Profit on sale of plant and equipment	20.36	0.10
Gain on foreign exchange fluctuation (net)	18.71	70.88
Miscellaneous Income	4.13	10.36
	2876.14	813.57
	6468.97	1405.35

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Note 24 Cost of materials consumed		
Opening stock	645.44	701.67
Add: Purchases	2575.52	3160.33
	3220.96	3862.00
Less: Closing stock	594.67	645.44
Cost of materials consumed	**2626.29**	3216.56
Note 25 Purchase of stock-in-trade		
Safety fuses	210.82	102.44
	210.82	**102.44**
Note 26 Changes in inventories of finished goods, stock-in-trade, and work-in-progress		
Opening stock:		
Finished goods	527.51	760.17
Stock-in-trade	1.10	10.60
Work-in-progress	495.41	476.06
	1024.02	**1246.83**
Closing stock:		
Stock-in-trade	0.52	1.10
Work-in-progress	426.69	495.41
Finished goods	693.41	527.51
	1120.62	**1024.02**
	(96.60)	**222.81**
Note 27 Employee benefits expense		
Salaries and wages, including bonus*	1922.14	1910.60
Contribution to provident and other funds (Refer note 34)	147.11	137.94
Workmen and staff welfare expenses	236.01	263.65
	2305.26	**2312.19**
* Includes contract labour charges		
Note 28 Finance costs		
Interest expenses on borrowings	35.12	52.34
Other borrowing cost	111.98	163.96
Unwinding of discount on lease liabilities (Refer note 39)	4.80	7.71
	151.90	**224.01**
Note 29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	273.31	225.33
Depreciation of right of use assets	29.73	29.73
Depreciation of investment properties	2.09	1.95
Amortisation of intangible assets	2.37	12.34
	307.50	269.35

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 30 Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	130.62	142.21
Processing charges	555.96	538.90
Packing material consumed	231.67	295.09
Power and fuel	529.92	553.92
Rent	1.77	4.23
Rates, fees and taxes	188.25	204.96
Insurance	126.61	49.78
Repairs and maintenance		
Plant and machinery	84.12	66.37
Buildings	145.62	182.65
Selling expenses		
Advertising and sales promotion	1.81	6.31
Selling commission	188.03	124.33
Distribution expenses	1341.79	1362.52
Travelling and conveyance	36.20	117.70
Communication expenses	18.64	18.68
Legal and professional fee (Refer note (a) below)	458.43	323.41
Provision of doubtful debts/advances/amount paid under protest (Refer note 35)	781.22	59.50
Directors' sitting fee	45.70	75.60
CSR expenditure (Refer note 37)	50.00	12.55
Miscellaneous expenses	247.10	236.55
	5163.46	**4375.26**

Notes:

(a) Legal and professional fee Includes:		
Payment to statutory auditors:		
Statutory audit	21.94	20.50
Limited review	8.03	7.50
Tax audit	2.68	2.50
Other certifications/reporting services	4.40	6.40
Reimbursement of expenses	1.34	2.62
	38.39	**39.52**

Note 31 Exceptional Items

	-	-

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 32 Financial instruments

(i) The following table represents analysis of carrying values and fair values of financial instruments

Particulars	Fair value hierarchy	Carrying Values		Fair value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets:					
Non-Current					
i) Investments	1& 3	22.03	17.89	22.03	17.89
ii) Loans	3	2963.93	3011.99	2963.93	3011.99
iii) Other financial assets	3	7545.07	4824.92	7545.07	4824.92
iv) Investments in subsidiaries	3	3665.93	3556.13	3665.93	3556.13
Current					
i) Trade receivables	3	1923.35	1746.89	1923.35	1746.89
ii) Cash and cash equivalents	3	518.29	345.26	518.29	345.26
iii) Other balances with banks	3	547.25	1214.98	547.25	1214.98
iv) Other financial assets	3	1140.33	1900.71	1140.33	1900.71
Financial Liabilities:					
Non-Current					
(i) Other non current liabilities	3	3907.31	4900.51	3907.31	4900.51
Current					
i) Borrowings	3	285.61	537.37	285.61	537.37
ii) Trade payables	3	2333.24	2060.39	2333.24	2060.39
iii) Other current financial liabilities	3	1536.58	1288.25	1536.58	1288.25

Fair value hierarchy

Level 1 Includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2 The fair value of financial instruments not actively traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

i) The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) The Company has used quoted market price for determining fair value of investments in equity instruments and mutual funds.

iv) There have been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2021 and March 31, 2020

Significant estimate:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 33 Financial risk management objectives and policies

1.Financial risk management framework

The Company has exposure to the following risks arising from financial instruments

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities .

The Company's audit committee oversees how management monitors compliance with the Company's Risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Company have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represents the maximum credit risk.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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. It considers available reasonable and supportive forwarding-looking information. The Company observes: actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations.

The Company also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables.

Ageing of receivables net of allowances is given below:

	As at March 31, 2021	As at March 31, 2020
Past due below 6 months	1832.19	1727.12
Past due more than 6 months	1535.76	1469.60
Total	**3367.95**	3196.72
Credit impaired	1444.60	1449.83
Net trade receivables	**1923.35**	1746.89
Reconciliation of loss allowance provision given below		
Impairment loss at the beginning of the year	1449.83	1426.56
Impairment loss during the year	26.21	59.50
Provision reversed during the year	(31.44)	(36.23)
Balance at the end of the year	**1444.60**	1449.83

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Cash and bank balances:

Credit risk on cash and bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Impairment of financial assets

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

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Particulars	On Demand	in next 12 months	1-2 years	Total
Year ended March 31, 2021				
Borrowings	285.61	-	-	285.61
Other financial liabilities	-	1536.58	-	1536.58
Trade and other payables	-	2333.24	-	2333.24
Balance as on March 31, 2021	**285.61**	**3869.82**	**-**	**4155.43**
Year ended March 31, 2020				
Borrowings	537.37	-	-	537.37
Other financial liabilities	-	1288.25	-	1288.25
Trade and other payables	-	2060.39	-	2060.39
Balance as on March 31, 2020	**537.37**	**3348.64**	**-**	**3886.01**

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value 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, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

The interest rate profile of the Company's interest bearing instruments as reported to management is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Floating rate instruments		
Working capital demand loan (Refer note 20)	285.61	537.37

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

b) Interest rate sensitivity

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

Particulars	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest rates-increase by 100 basis points	(3.85)	(6.44)
Interest rates-decrease by 100 basis points	3.85	6.44

c) Foreign currency exchange rate risk

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD . Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the company is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

Particulars	Currency	**As at March 31, 2021**	As at March 31, 2020
Trade receivables	USD	382.18	271.89
Other receivable	USD	-	65.12
Trade receivables	EURO	61.57	-
Advance from Customer	USD	260.10	178.24
Trade payable	USD	86.72	94.19
Advance to suppliers	USD	1.24	66.91

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

Particulars	Impact on profit before tax	
	March 31, 2021	March 31, 2020
USD Sensitivity		
INR/USD - Increase by Re. 1 (March 31, 2020- Re 1)	0.50	1.73
INR/USD - Decrease by Re 1 (March 31, 2020 - Re 1)	(0.50)	(1.73)
EURO Sensitivity		
INR/EURO - Increase by Re. 1 (March 31, 2020 - Re 1)	0.72	-
INR/EURO - Decrease by Re 1 (March 31, 2020 - Re 1)	(0.72)	-

2.Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes borrowings. The Company only has working capital demand loan, no ratio analysis is applicable.

Note 34 Employee benefit plans

a. Defined contribution plan:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employees' State Insurance contribution (ESI) , which are defined contribution plans. The contribution are charged to the Statement of profit and loss or capitalised as they accrue. During the year, the Company has recognised ₹ 2.74 (March 31, 2020:₹3.14) and ₹ 70.65 (March 31, 2020: ₹ 68.28) towards Employees' State Insurance contribution (ESI) contribution and Provident fund contribution.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

b. Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year.The company has recognised (income) /charges of ₹ 25.12 (March 31, 2020 : ₹ (73.55)) to the statement of profit and loss.

c. Defined benefit plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan, managed by a trust set up by the Company. The Company makes contributions to Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Balance sheet amounts- Gratuity

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
Reconciliation as at March 31, 2021			
Opening balance	**425.48**	**455.40**	**(29.92)**
Interest expense/(income)	22.33	24.38	**(2.05)**
Current Service Cost	29.32	-	**29.32**
Total amount recognised in profit or loss	**51.65**	**24.38**	**27.27**
Remeasurements			
(Gain)/loss from change in demographic assumptions	(0.31)	-	**(0.31)**
(Gain)/loss from change in financial assumptions	5.81	-	**5.81**
Return on plan assets (excluding interest income)	(0.19)	8.25	**(8.44)**
(Gain)/loss from change in experience	3.41	-	**3.41**
Total amount recognised in other comprehensive income	**8.72**	**8.25**	**0.47**
Employer contributions	-	60.00	**(60.00)**
Benefit payments	(23.60)	(34.40)	**10.80**
Balance at the end of the year March 31, 2021 (Non Current)	**462.25**	**513.63**	**(51.38)**
Reconciliation as at March 31, 2020			
Opening balance	420.15	490.66	**(70.51)**
Interest expense/(income)	28.51	37.03	**(8.52)**
Current Service Cost	27.66	-	**27.66**
Total amount recognised in profit or loss	**56.17**	**37.03**	**19.14**
Remeasurements			
(Gain)/loss from change in financial assumptions	14.59	-	14.59
Return on plan assets (excluding interest income)	0.18	(4.69)	4.87
Experience (gains)/losses	2.86	-	2.86
Total amount recognised in other comprehensive income	**17.63**	**(4.69)**	**22.32**
Employer contributions	-	0.87	**(0.87)**
Benefit payments	(68.47)	(68.47)	-
Balance at the end of the year March 31, 2020 (Non Current)	**425.48**	**455.40**	**(29.92)**

The net liability disclosed above relates to funded plan, as follows:

	March 31, 2021	March 31, 2020
a. Present value of funded obligations	462.25	425.48
b. Fair value of plan assets	513.63	455.40
Net liability/(asset) a-b	**(51.38)**	**(29.92)**

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Significant estimates: actuarial assumptions

The significant actuarial assumptions for defined benefit obligations are as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.50%	6.80%
Salary escalation rate	7.00%	7.00%
Employee attrition rate	5.81%	5.00%
Retirement Age	58	58
Pre-retirement mortality	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate

Sensitivity analysis

The sensitivity of the obligation towards gratuity to changes in the weighted principal assumptions is:

Impact on defined benefit obligation	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (change by 1%)	(9.57)	10.14	(18.80)	20.00
Salary escalation rate (change by 1%)	10.05	(9.57)	19.86	(18.85)
Attrition rate (change by 1%)	(0.67)	0.72	(0.15)	0.18

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plan assets are as follows

	Quoted/ Un quoted	March 31, 2021	In %	March 31, 2020	In %
Gratuity					
Funds managed by Life Insurance Corporation of India	Unquoted	513.63	100%	455.40	100%

Weighted average duration of retiring gratuity obligation is 10 years (March 31, 2020: 10 years)

Maturity profile table under Ind AS as per report

Particulars	As at March 31, 2021	As at March 31, 2020
March 31, 2021	205.17	193.72
March 31, 2022	17.44	21.01
March 31, 2023	33.44	13.84
March 31, 2024	49.46	28.90
March 31, 2025	34.49	45.95
Thereafter	320.44	338.54

Note 35 Contingent liabilities and commitments:

A. Contingent liabilities:		
Claims against the Company not acknowledged as debts		
(a) Income tax demands	1270.96	1270.96
(b) Sales tax demands	258.81	259.67
(c) Excise demands	3.67	3.67
(d) Service tax demands	352.29	352.29
(e) Additional demands towards cost of land	3.81	3.81
(f) Claims of workmen/ex-employees	70.00	70.00
(g) Other Matters	7.32	7.32
B. Commitments:		
(a) Standby letter of credit [SBLC] (Refer note 1 below)	109665.00	113497.50
(b) Estimated amount of contracts remaining to be executed on capital account (Net of advance ₹ 43.34 (As at March 31, 2020: ₹ 7.82)	206.26	80.14

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Notes:

1) The Company has given corporate guarantee of USD 150 Million to its wholly owned subsidiary HGHL Holdings Limited (HGHL) for obtaining bank loan of equivalent amount from Union Bank of India, Hongkong branch. The loan is secured by shortfall undertaking from Gulf Oil International Limited, Cayman Islands and collaterally secured by mortgage and exclusive charge on the land admeasuring 115.10 acres at Kukatpally, Hyderabad. HGHL has further given Inter corporate loan of USD 150 Million to 57 Whitehall Investments S.A.R.L, Luxembourg,(an operating company) which in-turn has invested in the downstream joint venture project which is engaged in the development of a residential and hospitality project outside India. The loan is repayable over a period of 7 years. During the year, HGHL has acquired 10% equity stake in 57 Whitehall Investment S.A.R.L, Luxembourg

2) In the month of March 2020, the Company had given Corporate Guarantee and collateral security to State Bank of India (SBI) for loan of ₹ 1,000 Cr availed by Hinduja National Power Corporation Limited (HNPCL) towards working capital requirements. The loan is primarily secured by pari-passu charge on the current assets of the HNPCL along with other working capital lenders and collaterally through pari-passu first charge on the fixed assets of HNPCL along with the exiting lenders, mortgage of land admeasuring 87.125 acres at Kukatpally, Hyderabad belonging to GOCL Corporation and Corporate guarantee of GOCL Corporation Limited. The Company has a counter guarantee for an equal amount from Hinduja Energy (India) Limited (HEIL), the parent entity of HNPCL. The loan has to be repaid by HNPCL to SBI in 8 quarterly installments commencing from June 2021 and ending on March 31, 2023.

3) In the year 2012-13, the Competition Commission of India had passed an order imposing a penalty of ₹2,894.76 in favour of a case filed by a customer. The Company had filed an appeal in Competition Appellate Tribunal ("COMPAT") against the said order which was disposed in the year 2013 of by reducing the penalty amount to ₹ 289.48. Subsequently, in the year 2016 the Company had filed an appeal with the Honorable Supreme Court of India (SC) against the said order of COMPAT which was admitted by the SC. No hearings have taken place during the year as the pleading are in progress before the Judicial Registrar. Based on merits of the case and the opinion obtained from an independent legal counsel, the Company has a strong case in its favour and adequate provision has been considered necessary.

4) The Company had registered lease deeds of land on various dates with Sri Udasin Mutt (Mutt) for certain parcels of land at Kukatpally, Hyderabad for 99 years after obtaining permission from the then Government of Andhra Pradesh. However, the Mutt filed eviction proceedings before the AP Endowment Tribunal on various untenable grounds and claimed use and occupation charges.
Aggrieved by the Tribunal Order, the Company filed a Writ Petition (WP) in 2011 in the Hon'ble High Court of Andhra Pradesh. The Mutt had also filed a separate WP in the AP High Court with regard to the Tribunal's decision on use and occupation charges. The AP High Court vide Common Order dismissed the WP filed by the Company and allowed the WP filed by the Mutt.

Both the parties filed Special Leave Petition (SLP) in 2013 before the Hon'ble Supreme Court against the aforesaid Common Order. The Hon'ble Supreme Court directed the parties to maintain status quo in all respects. Subsequently in August 2014, the Hon'ble Supreme Court while granting leave, directed the Company to deposit ₹100 per annum provisionally towards use and occupation of the subject land. The Company has been depositing ₹100 every year for the years 2014 to 2021, totaling to ₹ 700 as at March 31, 2021 (₹600 as at March 31, 2020).

During the year, Hon'ble Supreme Court of India vide order dated 12 October 2020, had kept the matter as Status Quo and directed to release 50% of the amount deposited for provisional usage by the Mutt. Hon'ble Supreme court had further allowed survey of the land parcel, fencing of the land and also allowed road widening to be done. However, Honbl'e Supreme court had not heard on the Mutt appeal for decision on the Use and occupation charges and the matter remains status quo. On a prudent basis the Company has created 100% provision under Ind AS 37 against the amount deposited.

5) The Hon'ble Supreme Court vide its order dated November 16, 2007 held that the stock transfers by the Company constituted inter-state sale in respect of assessment year viz., 1976-77 to 1983-84, 1989-90 & 1990-91 and also directed the authorities to examine the factual aspects and assess tax on supplies made by the Company to the subsidiaries of Coal India Limited (CIL) as inter-state sale. The Company filed writ petitions in the Hon'ble High Court of Odisha in August 2009 impleading other State Governments, CIL and its subsidiary companies seeking directions for issues of Form 'C' and pass over of local sales tax to the State of Odisha and same was dismissed. The Company filed SLP in Hon'ble Supreme Court. The Hon'ble Supreme Court while disposing the SLP as withdrawn granted liberty to approach the authorities. In terms of the liberty granted by The Honorable Supreme Court the Company has approached the authorities by revision and same was dismissed. The Company has filed writ petition in the Odisha High Court and obtained stay. The writ petition is pending.

6) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

7) The Company has long-term contracts other than derivative contracts, for which there were no material foreseeable losses.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 36 Related party disclosure

(i) Information relating to Related party transactions as per "Indian Accounting Standard (Ind AS 24-Related party disclosures)

a. **Ultimate Holding Company**
AMAS Holding SPF

b. **Holding Company:**
Hinduja Capital Limited (Mauritius)

c. **Subsidiaries:**
IDL Explosives Limited
HGHL Holdings Limited

d. **Fellow Subsidiary:**
Gulf Oil Lubricants India Limited

e. **Key Management Personnel (KMP):**

Non - Executive
Mr. Ajay P. Hinduja, Chairman & Non Executive Director
Ms. Kanchan Chitale, Independent Director
Mr. M.S. Ramachandran, Independent Director (Up to February 26, 2020)
Mr. Sudhanshu Kumar Tripathi, Non Executive & Non Independent Director
Mr. Ashok Kini, Independent Director (Up to December 12, 2020)
Mr. Debabrata Sarkar, Independent Director
Mr. Aditya Sapru, Independent Director

Executive
Mr. Subhas Pramanik, Managing Director
Mr. Ravi Jain, Chief Financial Officer
Mr. A. Satyanarayana, Company Secretary

(ii) Details of transactions between the Company and related parties and the status of outstanding balances at the year ended March 31, 2021:

(a) Transactions during the Year:

Nature of Transaction	Name of the related party	Subsidiaries		Holding Company		Key management personnel		Fellow subsidiary	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sale of goods	IDL Explosives Limited	1389.04	1877.16	-	-	-	-	-	-
Sale of Raw material	IDL Explosives Limited	141.31	-	-	-	-	-	-	-
Sale of export license	IDL Explosives Limited	58.06	40.54	-	-	-	-	-	-
Commission on corporate guarantee given	HGHL Holdings Limited	1315.78	588.34	-	-	-	-	-	-
Commission on corporate guarantee given	IDL Explosives Limited	-	42.13	-	-	-	-	-	-
Other income	IDL Explosives Limited	0.36	0.36	-	-	-	-	-	-
Purchase of goods / other items	IDL Explosives Limited	20.31	52.68	-	-	-	-	-	-

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Nature of Transaction	Name of the related party	Subsidiaries		Holding Company		Key management personnel		Fellow subsidiary	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of goods / other items	Gulf Oil Lubricants India Limited	-	-	-	-	-	-	0.38	1.11
Reimbursement received towards managerial services	IDL Explosives Limited	177.93	150.17	-	-	-	-	-	-
Reimbursement received towards IT & Infrastructure Services	IDL Explosives Limited	48.00	48.00	-	-	-	-	-	-
Reimbursement of bank charges	HGHL Holdings Limited	-	48.94	-	-	-	-	-	-
Reimbursement of metal cladding services	IDL Explosives Limited	1.27	25.77	-	-	-	-	-	-
Reimbursement of expenses	Gulf Oil Lubricants India Limited	-	-	-	-	-	-	-	4.21
Marketing services fee paid	IDL Explosives Limited	541.95	571.86	-	-	-	-	-	-
Interest received on inter-corporate deposits	IDL Explosives Limited	318.55	325.17	-	-	-	-	-	-
Dividend received	IDL Explosives Limited	117.98	-	-	-	-	-	-	-
Dividend received	HGHL Holdings Limited	2980.40	-	-	-	-	-	-	-
Rent received	IDL Explosives Limited	3.00	-	-	-	-	-	-	-
Dividend paid on equity shares	Hinduja Capital Limited (Mauritius)	-	-	2196.05	1485.88	-	-	-	-
	S. Pramanik	-	-	-	-	0.68	0.39	-	-
	A. Satyanarayana	-	-	-	-	0.18	0.07	-	-
Remuneration and perquisites	S. Pramanik	-	-	-	-	191.03	166.79	-	-
	Ravi Jain	-	-	-	-	93.90	87.71	-	-
	A. Satyanarayana	-	-	-	-	29.93	28.42	-	-
Sitting fees and commission	Non executive directors and Independent director	-	-	-	-	104.70	95.60	-	-

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

(b). Outstanding balances as at year-end:

Nature of Transaction	Name of the related party	Subsidiaries		Holding Company		Key management personnel		Fellow subsidiary	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Receivables	IDL Explosives Limited	309.73	754.82	-	-	-	-	-	-
Advances/ other receivables	IDL Explosives Limited	129.89	292.66	-	-	-	-	-	-
	HGHL Holdings Limited	-	114.06	-	-	-	-	-	-
Payable	Gulf Oil Lubricants India Limited	-	-	-	-	-	-	7.47	7.94
Inter-corporate deposits	IDL Explosives Limited	3103.87	3103.87	-	-	-	-	-	-
Investment in equity shares	IDL Explosives Limited	2510.75	2510.75	-	-	-	-	-	-
Standby letter of credit (Given)	HGHL Holdings Limited	109665.00	113497.50	-	-	-	-	-	-

Note:

i) The above disclosures including related parties as per Ind AS 24 " Related Party disclosures and Companies Act' 2013"

ii) The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

iii) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

Note 37 Corporate social responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

Gross amount required to be spent by the Company during the year ended March 31, 2021 is 6.41 (March 31, 2020: 12.55)

Amount spent during the year on	**Year ended March 31, 2021**	Year ended March 31, 2020
Amount spent during the year on		
(I) Construction/acquisition of an asset	-	8.55
(ii) On purpose other than (i) above	50.00	4.00
	50.00	12.55

Details of ongoing CSR projects under section 135(6) of the Act

		Amount
Balance as at April 1, 2020	With the Company	-
	In separate CSR unspent account	-
Amount required to be spent during the year		6.41
Amount spent during the year	From the Company's bank account	50.00
	From separate unspent CSR unspent account	-
	With the Company	-
Balance as at March 31, 2021	In separate CSR unspent account	-
	Carry forward in CSR amount	43.59

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 38 Segmental information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Note 39 Leases

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard/amendments are applicable to the Company with effect from April 1, 2019.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using incremental borrowing rate as at April 1, 2019. Accordingly, a right-of-use asset of ₹89.18 and a corresponding lease liability of ₹89.18 was recognized. The cumulative effect on transition in retained earnings net off taxes is ₹ Nil (including a deferred tax of Nil). The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

The amount recognised in the Balance Sheet for the right-of-use assets and lease liability (Financial liability) are as follows.

Leasehold Buildings	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
As at March 31, 2020	89.18	29.73	59.45
As at March 31, 2021	**89.18**	**59.46**	**29.72**

Lease liability (Financial Liability)	As at March 31, 2021	As at March 31, 2020
Present value of lease liability		
Current	32.73	29.63
Non Current	-	32.73
Maturity Analysis		
0-1 year	32.73	34.53
1-5 years	-	27.83
More than 5 years	-	-

The amount recognised in the statement of profit and loss for the right-of-use assets and lease liability are as follows:

Leasehold Buildings		
Depreciation charged on right-of-use assets	29.73	29.73
Unwinding of Interest expense on lease liabilities	4.80	7.71

Further, the Company incurred ₹1.77 towards expenses relating to short-term leases and leases of low-value assets for the year ended March 31, 2021. (March 31, 2020 - ₹4.23).

Lease contracts entered by the Company majorly pertains to land taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the lease contracts. The total cash outflow for leases is ₹34.53 for the year ended March 31, 2021.

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

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

Note 40 Earnings per share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax	4,904.36	232.25
Number of shares outstanding at the year end (in lakhs)	495.72	495.72
Weighted average number of equity shares (in lakhs)	495.72	495.72
Basic (₹)	9.89	0.47
Diluted (₹)	9.89	0.47

Note 41 Other Notes

i) Acquisition of APDL Estates Limited:

During the year, the Company has entered into Share Purchase Agreement dated December 21, 2020 with Hinduja Realty Ventures Limited for purchase of entire shareholding of APDL Estates Limited. As per the terms of the said Agreement, the consideration payable for purchase of shares is ₹6,200 less loans and current liabilities appearing in audited accounts of the APDL Estates Limited as at March 31, 2021. Pursuant to the Share purchase agreement, the Company has paid ₹3,500 as advance to Hinduja Realty Ventures Limited ('HRVL') for acquisition of equity shares in APDL Estates Limited. The effective date of the transfer of shares would be April 1, 2021 and the balance amount would be paid three days before the transfer of shares which would be based on the audited financial statements for the financial year ended March 31, 2021.

ii) Impact of COVID-19:

As a result of the nationwide lockdown imposed by the Government of India, the operations of the Company were temporarily disrupted at its various manufacturing facilities impacting production and dispatches from the second half of March 2020. The Company had resumed operations since last week of April 2020 / first week of May 2020 in compliance with the guidelines issued by respective authorities and is continuing to take adequate precautions for safety and wellbeing of its employees. In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration number: 116231W/ W-100024

for and on behalf of the Board of Directors of
GOCL Corporation Limited
CIN: L24292TG1961PLC000876

Hemant Maheshwari
Partner
Membership No: 096537

Ravi Jain
Chief Financial Officer

S. Pramanik
Managing Director
DIN: 00020414

Ajay P. Hinduja
Chairman
DIN : 00642192

A. Satyanarayana
Company Secretary
FCS number:5011

Place: Hyderabad
Date: June 29, 2021