EVEREADY
INDUSTRIES INDIA LTD.
1, MIDDLETON STREET, KOLKATA - 700 071
PHONE : 2288-2147, 2288-3950
FAX : (033) 2288-4059
E-mail : contactus@eveready.co.in
Website : www.evereadyindia.com

September 5, 2020

BSE Limited P.J. Towers, Dalal Street, Fort Mumbai - 400 001	The National Stock Exchange of India Ltd Exchange Plaza, C-1, Block – G, Bandra Kurla Complex Bandra (East) Mumbai - 400 051	The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata - 700 001

Dear Sirs,

We write to you in reference to the Disclaimer of Opinion in the independent Auditor's Report on the audit of the annual financial results of the Company, for the year ended March 31, 2020, wherein the Company's Statutory Auditor has given a Disclaimer of Opinion on the basis that they were unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance / impairment to be recognised on the inter-corporate deposits ("ICDs") and the advances given by the Company to certain companies that are part of the Promoter Group and of the potential liability, if any, to be recognised for the corporate guarantees ("CGs") and post-dated cheques ("PDCs") as given and the consequential impact of the aforementioned transactions on the financial statements of the Company for the financial year ended March 31, 2020.

The management had provided its clarifications and estimation of the aforesaid disclaimer of opinion in the Statement on Impact of Audit Qualifications for the financial year ended March 31, 2020, stating inter alia, that based on the management's analysis and assumptions, it is believed that the Financial Statements for the year ended March 31, 2020 are materially correct and reflect a true and fair view in accordance with the Indian Accounting Standards and applicable laws and hence the management does not believe that there is any material financial impact on the said Disclaimer of Opinion.

The Auditor's Report on the audited standalone and consolidated financial results of the Company containing the disclaimer of opinion along with the Statement on Impact of Audit Qualifications for the financial year ended March 31, 2020 on the said disclaimer of opinion, under Regulation 33(4) of the SEBI (LODR) Regulations have been submitted to you, vide our letter dated July 1, 2020 and are annexed as **Annexure I** for your ease of reference.

In reference to the aforesaid Disclaimer of Opinion, the Securities & Exchange Board of India (SEBI) has from time to time sought certain clarifications from the Company in relation to: (i) outstanding ICDs, CGs and PDCs extended to/ on behalf of certain promoter group entities; and (ii) advances extended under a memorandum of understanding for the proposed assignment of a leasehold interest in a property.

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Thereafter, SEBI has vide its advisory-and-caution letter dated September 4, 2020 ("**Advisory Letter**") advised the board of directors to take corrective actions in relation to the aforementioned outstanding ICDs, CGs and PDCs and formulate a definitive timeline for repayment of the same and as well as for the completion of assignment of the property or recovery of advance paid and thereafter place such recommendation of the board of directors along with the complete details and present the status of the same, before the shareholders in the forthcoming general meeting. The Advisory Letter is annexed as **Annexure II**.

The Company submits that it shall take necessary steps in relation to the above, as advised by SEBI in the Advisory Letter and place the requisite recommendation of the board of directors with the details and status, before the shareholders for information.

The above is for your information and records.

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.

Punwani

(T. PUNWANI)
VICE PRESIDENT – LEGAL
& COMPANY SECRETARY

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July 01, 2020

BSE Limited
P.J. Towers,
Dalal Street, Fort
Mumbai - 400 001

The National Stock Exchange
of India Ltd
Exchange Plaza, C-1,
Block – G,
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

The Calcutta Stock Exchange
Limited
7, Lyons Range
Kolkata - 700 001

Dear Sirs,

In accordance with the provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith are the following which were taken on record by the Board of Directors at its Meeting held today:-

- Audited Standalone Financial Results of the Company for the year and quarter ended March 31, 2020.
- Audited Consolidated Financial results of the Company for the year ended March 31, 2020.
- Auditors Report on the above Audited Standalone and Consolidated Financial Results of the Company for the year ended March 31, 2020 along with the Statement on Impact of Audit Qualifications for the year ended March 31, 2020 (Standalone and Consolidated) as per the requirements of Regulation 33(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the same.

The meeting of the Board of Directors commenced at 4.00 p.m. and concluded at 6:15 p.m.

The above is for your information and Records.

Very truly yours,
EVEREADY INDUSTRIES INDIA LTD.

(T. PUNWANI)
VICE PRESIDENT– LEGAL
& COMPANY SECRETARY

Enclo: As Above

EVEREADY INDUSTRIES INDIA LTD.

Registered Office : 1, Middleton Street, Kolkata – 700 071
CIN: L31402WB1934PLC007993 Tel: 91-33-22883950 Fax: 91-33-24864673
Email: investorrelation@eveready.co.in Website: www.evereadyindia.com

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

₹ Lakhs

	Particulars	3 months ended (31/03/2020)	Preceding 3 months ended (31/12/2019)	Corresponding 3 months ended in the previous year (31/03/2019)	Year ended (31/03/2020)	Previous year ended (31/03/2019)
		Audited*	Unaudited	Audited*	Audited	Audited
1	**Income**					
	(a) Revenue from operations (Gross)	22,419.61	31,742.01	31,172.43	121,092.90	145,773.38
	(b) Other Income	1,217.00	1,053.12	1,382.79	4,672.66	3,540.99
	Total Income	**23,636.61**	**32,795.13**	**32,555.22**	**125,765.56**	**149,314.37**
2	**Expenses**					
	(a) Cost of Materials Consumed	8,066.84	10,837.11	10,724.55	44,637.64	49,383.25
	(b) Purchases of Stock-in-Trade	6,643.73	6,523.10	7,428.08	27,137.01	38,541.00
	(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(2,210.46)	1,715.86	2,274.62	968.25	4,275.84
	(d) Employee Benefit Expense	3,233.54	3,612.46	3,795.46	14,945.72	15,690.38
	(e) Finance costs	1,687.76	1,812.92	1,482.03	7,040.87	5,398.76
	(f) Depreciation and amortisation expense	722.03	697.68	551.72	2,896.56	2,183.69
	(g) Other Expenses	3,819.01	5,438.01	5,750.33	21,291.41	25,605.91
	Total Expenses	**21,962.45**	**30,637.14**	**32,006.79**	**118,917.46**	**141,078.83**
3	**Profit before exceptional items and tax (1-2)**	**1,674.16**	**2,157.99**	**548.43**	**6,848.10**	**8,235.54**
4	Exceptional Items					
	Profit on sale of Land- Chennai	-	8,955.38	-	8,955.38	-
	Profit on sale of Land- Hyderabad	6,203.66	-	-	6,203.66	-
	Workmen separation cost-Chennai	-	-	3.80	-	2,325.24
5	**Profit before Tax (3+/-4)**	**7,877.82**	**11,113.37**	**544.63**	**22,007.14**	**5,910.30**
6	**Tax Expense**	**1,504.39**	**2,053.78**	**139.88**	**4,050.56**	**1,184.51**
	(a) Current Income Tax	1,425.13	2,006.46	96.18	3,992.57	1,275.52
	(b) Deferred Tax	79.26	47.32	43.70	57.99	(91.01)
7	**Profit for the period / year (5-6)**	**6,373.43**	**9,059.59**	**404.75**	**17,956.58**	**4,725.79**
8	Other Comprehensive Income (net of tax)					
	-Items that will not be reclassified to profit or loss					
	a) Remeasurement (loss) / gain on defined benefit plans	(4.52)	36.73	179.01	106.33	160.76
	b) Income tax related to above	0.96	(6.35)	(38.65)	(19.18)	(34.64)
9	**Total Comprehensive Income (7+8)**	**6,369.87**	**9,089.97**	**545.11**	**18,043.73**	**4,851.91**
10	Paid up Equity Share Capital Face Value : ₹ 5/- per share.	3,634.36	3,634.36	3,634.36	3,634.36	3,634.36
11	Other Equity	-	-	-	52,078.26	34,034.53
12	**Earnings Per Share (of ₹ 5/- each)-not annualised**					
	(a) Basic	8.77	12.46	0.56	24.70	6.50
	(b) Diluted	8.77	12.46	0.56	24.70	6.50

* Refer Note 2

SINGHI & CO. Chartered Accountants

EVEREADY INDUSTRIES INDIA LTD. Kolkata

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

₹ Lakhs

	Particulars	As at (31/03/2020) Audited	As at (31/03/2019) Audited
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment (including Right to Use Assets)	32,054.68	33,211.51
	(b) Capital work-in-progress	281.98	474.25
	(c) Investment Property	-	5.64
	(d) Intangible assets	795.63	1,044.66
	(e) Intangible assets under development	14.85	-
	(f) Financial Assets		
	(i) Investments	1,015.61	1,015.64
	(ii) Loans	88.83	113.19
	(iii) Other financial assets	616.81	676.66
	(g) Non current tax assets (Net)	960.01	943.76
	(h) Other non-current assets	8,419.46	8,654.01
	Sub-total - Non-current assets	**44,247.86**	**46,139.32**
2	**Current assets**		
	(a) Inventories	21,037.98	25,280.13
	(b) Financial Assets		
	(i) Trade receivables	5,037.63	10,529.80
	(ii) Cash and cash equivalents	955.17	469.22
	(iii) Other balances with banks	51.64	50.99
	(iv) Loans	42,334.94	23,130.52
	(v) Other financial assets	6,030.54	4,643.39
	(c) Other current assets	6,498.98	6,837.60
	(d) Asset held for sale	-	894.62
	Sub-total - Current assets	**81,946.88**	**71,836.27**
	TOTAL - ASSETS	**126,194.74**	**117,975.59**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	3,634.36	3,634.36
	(b) Other Equity	52,078.26	34,034.53
	Sub-total - Total Equity	**55,712.62**	**37,668.89**
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	14,846.64	20,995.16
	(ii) Lease liabilities	2,010.47	-
	(iii) Other financial liabilities	394.73	394.73
	(b) Provisions	584.19	579.96
	(c) Deferred tax liabilities (Net)	543.95	485.96
	Sub-total - Non-current liabilities	**18,379.98**	**22,455.81**
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	12,540.55	8,451.88
	(ii) Lease liabilities	534.44	-
	(ii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	331.40	181.41
	Total outstanding dues of creditors other than micro enterprises and small enterprises	18,150.52	25,348.93
	(iv) Other financial liabilities	11,812.66	11,554.34
	(b) Other current liabilities	3,005.24	9,240.42
	(c) Provisions	1,682.46	1,762.20
	(d) Current tax liabilities (Net)	4,044.87	1,311.71
	Sub-total - Current liabilities	**52,102.14**	**57,850.89**
	TOTAL- EQUITY AND LIABILITIES	**126,194.74**	**117,975.59**

SINGHI & CO. Chartered Accountants

EVEREADY INDUSTRIES INDIA LTD. Calcutta

Standalone Statement of Cash Flow for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
A. Cash flow from operating activities				
Profit before exceptional items and tax		6,848.10		8,235.54
Adjustments for:				
Depreciation and amortisation expenses	2,896.56		2,183.69	
Amortisation of lease payment as rent	-		31.50	
(Profit)/Loss on sale of property, plant and equipment	38.92		(657.44)	
Finance costs	7,040.87		5,398.76	
Interest income	(3,906.82)		(2,883.55)	
Profit on sale of Packet Tea IP	(600.00)		-	
Allowance for bad and doubtful trade receivables	386.97		95.92	
Provision for indirect taxes	-		3.58	
Provisions/Liabilities no longer required written back	(165.84)		-	
Ind AS 115 Adjustment	-		(295.41)	
Loss on fair valuation of investment through profit and loss	0.03		0.03	
Net unrealised foreign exchange (gain)/loss	110.12	5,800.81	(64.99)	3,812.09
Operating profit before working capital changes		12,648.91		12,047.63
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	4,242.15		4,730.79	
Trade receivables	5,126.91		1,431.10	
Loans (current and non-current)	30.30		34.11	
Other assets (current and non-current)	376.73		(6.03)	
Other Financial Assets (current and non-current)	(1,327.30)		(129.91)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(7,280.25)		(7,041.72)	
Other financial liabilities (current and non-current)	(365.47)		1,656.39	
Other liabilities (current and non-current)	(1,235.18)		(1,769.58)	
Provisions (current and non-current)	196.67	(235.44)	478.68	(616.17)
Cash generated from operations (before exceptional items)		**12,413.47**		**11,431.46**
Workmen separation cost		-		(2,325.24)
Cash generated from operations (after exceptional items)		**12,413.47**		**9,106.22**
Income taxes paid		(1,418.55)		(1,593.20)
Net cash flow from operating activities (A)		**10,994.92**		**7,513.02**
B. Cash flow from investing activities				
Purchase of Property, plant and equipment and intangible assets,	(1,705.66)		(8,371.62)	
Proceeds from sale of property, plant and equipment	14,825.17		968.11	
Proceeds from sale of Packet Tea IP	600.00		-	
Advance received against Chennai land sale agreement	-		5,000.00	
Investment in Associate	-		(750.00)	
Loan given to Subsidiary	(1.00)		(2.00)	
Loan given to others	(15,395.04)		(46,252.00)	
Loan realised from others	-		34,072.00	
Interest received	91.49		871.80	
Net cash used in investing activities (B)		**(1,585.04)**		**(14,463.71)**
C. Cash flow from financing activities				
Proceeds from non-current borrowings	10,400.00		22,500.00	
Repayment of non-current borrowings	(14,182.24)		(6,688.10)	
Decrease in working capital borrowings	-		(484.69)	
Proceeds from other current borrowings	21,151.98		53,951.88	
Principal payment of lease liabilities	(17,063.31)		(55,354.14)	
Finance cost	(8,410.07)		(5,541.49)	
Principal payment of lease liabilities	(820.29)		-	
Dividends paid	-		(1,090.31)	
Tax on dividend	-		(224.12)	
Net (cash used in) / cash flow from financing activities (C)		**(8,923.93)**		**7,069.03**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**485.95**		**118.34**
Cash and cash equivalents at the beginning of the year		469.22		350.88
Cash and cash equivalents at the end of the year		**955.17**		**469.22**

Reconciliation of Closing Cash and Cash Equivalents with Standlaone Statement of Assets and Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ Lakhs	₹ Lakhs
Cash and cash equivalents		
(a) Cash in hand	9.67	12.77
(b) Balances with banks		
- In current accounts	945.50	456.45
Total - Cash and cash equivalents	**955.17**	**469.22**

SINGHI & CO. Chartered Accountants

BAYERADY INDUSTRIES INDIA LTD. Calcutta

NOTES:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 01, 2020.

2. The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of full financial year and the published year-to-date figures up to the 3rd quarter of the current financial year and previous financial year.

3. The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, general lighting products, small home appliances and confectioneries which come under a single business segment known as Consumer Goods.

4. The Competition Commission of India ("CCI"), issued an Order dated April 19, 2018 concerning contravention of the Competition Act, 2002 (the Act) and imposed a penalty of ₹ 17,155.00 Lakhs, on the Company. On the Company's appeal against the CCI's said Order, the National Company Law Appellate Tribunal (NCLAT) has granted stay on the said penalty subject to deposit of 10% of the penalty amount with the Registry of the NCLAT, which has since been deposited. The Company has received legal advice that owing to the uncertainty of the future outcome of the litigation, the amount of penalty that would be finally imposed on the Company cannot be reliably estimated at this stage and hence no provision is deemed required to be made.

5. The Company has adopted Ind AS 116- "Leases" effective April 01, 2019, using the modified retrospective approach. Accordingly, figures for the quarter and year ended March 31, 2019 have not been retrospectively adjusted. On adoption of the standard, the company has recognized 'Right-of-use' assets amounting to ₹ 4,109.79 Lakhs (including reclassification of lease prepayment from other assets amounting to ₹ 1,212.28 Lakhs) and 'Lease liabilities' amounting to ₹ 2,897.51 Lakhs as at April 01, 2019. Operating lease expenses which were charged as lease rentals for the quarter and year ended March 31, 2019 have now been recognized in the quarter ended December 31, 2019, quarter and year ended March 31, 2020 as depreciation expense relating to the right-of-use asset and finance cost for interest accrued on lease liability, as required by the new standard. Consequent to the adoption of the standard, profit before tax for the quarter ended March 31, 2020 has decreased by ₹ 26.45 Lakhs and earnings per share has decreased by ₹ 0.04 per share and profit before tax for the year ended March 31, 2020 has decreased by ₹ 140.89 lakhs and earnings per share has decreased by ₹ 0.16 per share respectively. There has been no impact on retained earnings as at April 01, 2019.

6. The Company has given inter-corporate deposits to certain companies (part of the promoter group). From time to time, in earlier years these deposits were repaid by the borrowing entities to the Company on demand. However, some of these deposits amounting to ₹ 35,325 lakhs and interest outstanding thereon amounting to ₹ 6,964 lakhs are lying outstanding as at March 31, 2020. Furthermore, the Company has furnished certain corporate guarantees and post-dated cheques in favour of banks/ other parties who have provided loans to the companies (part of the promoter group), outstanding amount of these guarantees/post-dated cheques being ₹ 13,050 lakhs as at March 31, 2020. Repayment of these deposits and the guarantees/post-dated cheques given to/on behalf of these companies along with future interest have been guaranteed by certain promoter Directors of the Company, in the event of a default by the said companies to pay the dues. Furthermore, a promoter group level restructuring is under way to monetize assets to meet up the various liabilities of the companies (part of the promoter group) including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company. The management therefore believes that the outstanding dues shall be recovered and no provision is required at this stage.

SINGHI & CO. Chartered Accountants

EVEREADY INDUSTRIES INDIA LTD. Calcutta

7. Exceptional item relates to the profit on sale of land situated at Moula Ali, Hyderabad pursuant to the execution of sale deed with M/s Nuland Technologies on January 31, 2020. Earlier during the year, the sale of the land situated at Tiruvottiyur, Chennai was completed pursuant to execution of the sale deed on October 09, 2019 in favour of Insight Retail Private Ltd., a subsidiary of Alwarpet Properties Pvt Ltd (Alwarpet), as nominated by Alwarpet.

8. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the quarter and year ended March 31, 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

9. For preventing the spread of COVID-19, various restrictions and containment measures had been put in place by various state governments and local administrations from middle of March, 2020. Consequently, all the operations of the Company, inclusive of the operations across the distribution network were locked down from March 24, 2020, for a considerable period. On account of the lockdown, the Company was unable to achieve optimum sales figures for the month of March 2020. Certain operations in respect of manufacturing and sales for batteries, being an essential product, were allowed to be resumed in a limited manner subject to restrictions inclusive of social distancing. Subsequently, lockdown relaxations have been announced from time to time on operations of other products in the company portfolio. All efforts are being made to scale up operations within the prescribed guidelines. The management has assessed possible impacts of disruptions on the carrying value of inventories, receivables and other financial assets as at March 31, 2020. Based on such assessment, it has concluded that none of the assets are likely to be impaired. While there may be some impact on the business operations in the short term, it is difficult to assess the same at this point as the situation remains volatile. The Company will continue to monitor the situation.

10. With reference to RBI circular dated 23/03/2020 for COVID-19 – Regulatory Package, the Company has applied for deferment of instalment of Term Loans. Considering that the deferment has been allowed by Banks, the Company has given effect to current maturities.

11. Figures of the previous quarters/year have been regrouped/rearranged wherever considered necessary.

EVEREADY INDUSTRIES INDIA LTD

Amritanshu Khaitan
Managing Director

SINGHI & CO. Chartered Accountants

Kolkata
July 01, 2020

EVEREADY INDUSTRIES INDIA LTD.

Registered Office: 1, Middleton Street, Kolkata - 700071
CIN: L31402WB1934PLC007993 Tel: 91-33-22883950 Fax: 91-33-24864673
Email: investorrelation@eveready.co.in Website: www.evereadyindia.com

₹ Lakhs

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

	Particulars	3 months ended (31/03/2020)	Preceding 3 months ended (31/12/2019)	Corresponding 3 months ended in the previous year (31/03/2019)	Year ended (31/03/2020)	Previous year ended (31/03/2019)
		Audited *	Unaudited	Audited *	Audited	Audited
1	**Income**					
	(a) Revenue from operations (Gross)	22,407.62	31,737.75	33,164.20	122,109.31	150,664.14
	(b) Other Income	1,214.72	1,050.58	1,372.95	4,662.80	3,531.15
	Total Income	**23,622.34**	**32,788.33**	**34,537.15**	**126,772.11**	**154,195.29**
2	**Expenses**					
	(a) Cost of Materials Consumed	8,054.77	10,832.88	12,679.33	45,637.81	54,171.00
	(b) Purchases of Stock-in-Trade	6,643.73	6,523.10	7,428.08	27,137.01	38,541.00
	(c) Changes in Inventories of Finished Goods, Work-in-progress & Stock-in-Trade	(2,210.47)	1,715.87	2,274.62	968.25	4,275.84
	(d) Employee Benefits Expense	3,233.54	3,612.46	3,795.46	14,945.72	15,690.38
	(e) Finance costs	1,688.74	1,812.88	1,509.09	7,068.13	5,476.88
	(f) Depreciation and amortisation expense	722.03	697.68	551.72	2,896.56	2,183.69
	(g) Other Expenses	3,848.61	5,439.16	5,638.58	21,279.09	25,464.71
	Total Expenses	**21,980.95**	**30,634.03**	**33,876.88**	**119,932.57**	**145,803.50**
3	**Profit before exceptional items, Share of loss of investments and tax (1 - 2)**	**1,641.39**	**2,154.30**	**660.27**	**6,839.54**	**8,391.79**
4	Share of net loss of associates	**(36.38)**	**(34.09)**	**(50.13)**	**(118.70)**	**(87.47)**
5	**Profit before exceptional items and tax (3 + 4)**	**1,605.01**	**2,120.21**	**610.14**	**6,720.84**	**8,304.32**
6	Exceptional items					
	Profit on sale of Land- Chennai	-	8,955.38	-	8,955.38	-
	Profit on sale of Land- Hyderabad	6,203.66			6,203.66	-
	Workmen separation cost-Chennai	-	-	3.80	-	2,325.24
7	**Profit before tax (5+/- 6)**	**7,808.67**	**11,075.59**	**606.34**	**21,879.88**	**5,979.08**
8	**Tax Expense**	**1,502.12**	**2,055.55**	**151.88**	**4,051.06**	**1,196.51**
	(a) Current Income Tax	1,422.86	2,008.23	108.18	3,993.07	1,287.52
	(b) Deferred Tax	79.26	47.32	43.70	57.99	(91.01)
9	**Profit for the year (7 - 8)**	**6,306.55**	**9,020.04**	**454.46**	**17,828.82**	**4,782.57**
10	Other Comprehensive Income (net of tax)					
	i) Items that will not be reclassified subsequently to profit or loss					
	a) Remeasurement (loss) / gain on defined benefit plans	(4.52)	36.73	179.01	106.33	160.76
	b) Income tax related to above	0.96	(6.35)	(38.65)	(19.18)	(34.64)
	ii) Exchange differences in translating the financial statements of foreign operations	3.40	34.83	(10.89)	45.86	18.44
11	**Total Comprehensive Income (9+10)**	**6,306.39**	**9,085.25**	**583.93**	**17,961.83**	**4,927.13**
	Profit for the year attributable to:					
	- Owners of the Company	6,306.55	9,020.04	454.46	17,828.82	4,782.57
	- Non-controlling interest	-	-	-	-	
		6,306.55	**9,020.04**	**454.46**	**17,828.82**	**4,782.57**
	Other Comprehensive Income for the year attributable to:					
	- Owners of the Company	(0.16)	65.21	129.47	133.01	144.56
	- Non-controlling interest	-	-	-	-	
		(0.16)	**65.21**	**129.47**	**133.01**	**144.56**
	Total Comprehensive Income for the year attributable to:					
	- Owners of the Company	6,306.39	9,085.25	583.93	17,961.83	4,927.13
	- Non-controlling interest	-	-	-	-	
		6,306.39	**9,085.25**	**583.93**	**17,961.83**	**4,927.13**
12	Paid up Equity Share Capital Face Value : ₹ 5/- per share.	3,634.36	3,634.36	3,634.36	3,634.36	3,634.36
13	Other Equity	-	-	-	51,917.36	33,955.53
14	**Earnings Per Share (of ₹ 5/- each) -not annualised**					
	(a) Basic	8.68	12.41	0.63	24.53	6.58
	(b) Diluted	8.68	12.41	0.63	24.53	6.58

* Refer note 2

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EVEREADY INDUSTRIES INDIA LTD. Calcutta

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

₹ Lakhs

	Particulars	As at (31/03/2020)	As at (31/03/2019)
		Audited	Audited
A	**ASSETS**		
1	**Non-current assets**		
	(a) Property, plant and equipment (including Right to Use Assets)	32,054.68	33,211.51
	(b) Capital work-in-progress	281.98	474.25
	(c) Investment Property	-	5.64
	(d) Other Intangible assets	795.63	1,044.66
	(e) Intangible assets under development	14.85	-
	(f) Financial Assets		
	(i) Investments	544.12	662.56
	(ii) Loans	88.83	113.19
	(iii) Other financial assets	616.81	676.66
	(g) Non current tax assets	960.01	943.88
	(h) Other non-current assets	8,419.46	8,654.02
	Sub-total-Non-current Assets	43,776.37	45,786.37
2	**Current assets**		
	(a) Inventories	21,037.98	25,280.13
	(b) Financial Assets		
	(i) Trade receivables	5,037.63	13,604.33
	(ii) Cash and cash equivalents	1,060.59	669.61
	(iii) Other balances with banks	54.86	53.96
	(iv) Loans	42,162.94	22,968.61
	(v) Other financial assets	6,031.14	4,643.99
	(c) Other current assets	6,465.96	6,830.82
	(d) Asset held for sale	-	894.62
	Sub-total-Current Assets	81,851.10	74,946.07
	TOTAL ASSETS	125,627.47	120,732.44
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	(a) Equity Share capital	3,634.36	3,634.36
	(b) Other Equity	51,917.36	33,955.53
	Sub-total - Total Equity	55,551.72	37,589.89
	Liabilities		
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	14,332.75	20,995.16
	(ii) Lease liabilities	2,010.47	-
	(iii) Other financial liabilities	394.73	394.73
	(b) Provisions	584.19	579.96
	(c) Deferred tax liabilities (Net)	543.95	485.96
	Sub-total - Non-current liabilities	17,866.09	22,455.81
3	**Current liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	12,540.55	10,850.52
	(ii) Lease liabilities	534.44	-
	(iii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	331.40	181.41
	Total outstanding dues of creditors other than micro enterprises and small enterprises	17,730.15	25,758.96
	(iv) Other financial liabilities	12,326.80	11,569.57
	(b) Other current liabilities	3,005.32	9,240.52
	(c) Provisions	1,682.46	1,762.20
	(d) Current Tax Liabilities (Net)	4,058.54	1,323.56
	Sub-total - Current liabilities	52,209.66	60,686.74
	TOTAL- EQUITY AND LIABILITIES	125,627.47	120,732.44

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EVEREADY INDUSTRIES INDIA LTD. Calcutta

Consolidated Statement of Cash Flow for the year ended March 31, 2020

Particulars	For the year ended Mar 31, 2020		For the year ended Mar 31, 2019	
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
A. Cash flow from operating activities				
Profit before exceptional items and tax		6,720.84		8,304.32
Adjustments for:				
Depreciation and amortisation expenses	2,896.56		2,183.69	
Amortisation of lease payment as rent	-		31.50	
Profit on sale of property, plant and equipment	38.92		(657.44)	
Finance costs	7,068.13		5,476.88	
Interest income	(3,896.96)		(2,873.71)	
Profit on sale of sale of Packet Tea IP	(600.00)		-	
Allowance for bad and doubtful trade receivables	386.97		95.92	
Provision for indirect taxes	-		3.58	
Provisions/Liabilities no longer required written back	(165.84)		-	
Ind AS 115 Adjustment	-		(295.41)	
Share of loss in Associate	118.70		87.47	
Loss on fair valuation of investment through profit and loss	0.03		0.03	
Net unrealised foreign exchange (gain)/loss	110.12	5,956.63	(64.99)	3,987.52
Operating profit before working capital changes		12,677.47		12,291.84
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	4,242.15		4,730.79	
Trade receivables	8,201.44		(1,643.43)	
Loans (current and non-current)	30.30		34.11	
Other assets (current and non-current)	402.98		(3.60)	
Other financial assets (current and non-current)	(1,327.30)		(129.91)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(8,110.65)		(4,717.49)	
Other financial liabilities (current and non-current)	(365.47)		1,656.39	
Other liabilities (current and non-current)	(1,235.20)		(1,771.11)	
Provisions (current and non-current)	196.67	2,034.92	478.68	(1,365.57)
Cash generated from operations (before exceptional items)		**14,712.39**		**10,926.27**
Workmen separation cost		-		(2,325.24)
Cash generated from operations (after exceptional items)		**14,712.39**		**8,601.03**
Income taxes paid		(1,417.11)		(1,593.48)
Net cash generated from operating activities (A)		**13,295.28**		**7,007.55**
B. Cash flow from investing activities				
Purchase of Property, plant and equipment and intangible assets, including	(1,705.66)		(8,371.62)	
Proceeds from sale of property, plant and equipment	14,825.17		968.11	
Proceeds from sale of Packet Tea IP	600.00		-	
Advance received against Chennai land sale agreement	-		5,000.00	
Investment in Associate	-		(750.00)	
Loan given to others	(15,395.04)		(46,252.00)	
Loan realised from others	-		34,072.00	
Interest received	91.73		870.98	
Net cash used in investing activities (B)		**(1583.80)**		**(14462.53)**
C. Cash flow from financing activities				
Proceeds from non-current borrowings	10,400.00		22,500.00	
Repayment of non-current borrowings	(14,182.24)		(6,688.10)	
Decrease in working capital borrowings	(2,398.65)		131.55	
Proceeds from other current borrowings	21,151.98		53,951.88	
Repayment of other current borrowings	(17,063.31)		(55,354.14)	
Finance cost	(8,452.31)		(5,604.63)	
Principal payment of lease liabilities	(820.29)		-	
Dividends paid	-		(1,090.31)	
Tax on dividend	-		(224.12)	
Net (cash used in) / cash flow from financing activities (C)		**(11,364.82)**		**7,622.13**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**346.66**		**167.15**
Cash and cash equivalents at the beginning of the year		**669.61**		**496.83**
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		44.32		5.63
Cash and cash equivalents at the end of the year		**1,060.59**		**669.61**

Reconciliation of Closing Cash and Cash Equivalents with Consolidated Statement of Assets and Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ Lakhs	₹ Lakhs
Cash and cash equivalents		
(a) Cash in hand	9.67	12.77
(b) Balances with banks		
- In current accounts	1,050.92	656.84
Total - Cash and cash equivalents	**1,060.59**	**669.61**

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EVEREADY INDUSTRIES INDIA LTD. Calcutta

NOTES:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors of Eveready Industries India Ltd. (the "Company") at its meeting held on July 01, 2020.

2. The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of full financial year and the published year-to-date figures up to the 3rd quarter of the current financial year and previous financial year.

3. The consolidated results of the Group include the results of the Company and its subsidiaries, Greendale India Limited (formerly Litez India Limited), Everspark Hong Kong Private Limited and its associate namely Preferred Consumer Products Pvt. Ltd.

4. In the previous year ended March 31, 2019, the Group opted to publish consolidated financial results on an annual basis. Accordingly consolidated financial results for the quarter ended March 31, 2019 have been approved by the Board of Directors of the Company but were not subjected to audit by the Statutory Auditors of the Company.

5. The consolidated results have been prepared in accordance with the principles and procedures as set out in the Ind AS 110 - "Consolidated Financial Statements" and Ind AS 28- "Investments in Associates and Joint Ventures".

6. The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, general lighting products, small home appliances and confectioneries which come under a single business segment known as Consumer Goods.

7. The Competition Commission of India ("CCI"), issued an Order dated April 19, 2018 concerning contravention of the Competition Act, 2002 (the Act) and imposed a penalty of ₹ 17,155.00 Lakhs, on the Company. On the Company's appeal against the CCI's said Order, the National Company Law Appellate Tribunal, (NCLAT) has granted stay on the said penalty subject to deposit of 10% of the penalty amount with the Registry of the NCLAT, which has since been deposited. The Company has received legal advice that owing to the uncertainty of the future outcome of the litigation, the amount of penalty that would be finally imposed on the Company cannot be reliably estimated at this stage and hence no provision is deemed required to be made.

8. The Group has adopted Ind AS 116- "Leases" effective April 01, 2019, using the modified retrospective approach. Accordingly, figures for the quarter and year ended March 31, 2019 have not been retrospectively adjusted. On adoption of the standard, the company has recognized 'Right-of-use' assets amounting to ₹4,109.79 Lakhs (including reclassification of lease prepayment from other assets amounting to ₹ 1,212.28 Lakhs) and 'Lease liabilities' amounting to ₹ 2,897.51 Lakhs as at April 01, 2019. Operating lease expenses which were charged as lease rentals for the quarter and year ended March 31, 2019 have now been recognized in the quarter ended December 31, 2019, quarter and year ended March 31, 2020 as depreciation expense relating to the right-of-use asset and finance cost for interest accrued on lease liability, as required by the new standard. Consequent to the adoption of the standard, profit before tax for the quarter ended March 31, 2020 has decreased by ₹ 26.45 Lakhs and earnings per share has decreased by ₹ 0.04 per share and profit before tax for the year ended March 31, 2020 has decreased by ₹ 140.89 lakhs and earnings per share has decreased by ₹ 0.16 per share respectively. There has been no impact on retained earnings as at April 01, 2019.

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9. The Company has given inter-corporate deposits to certain companies (part of the promoter group). From time to time, in earlier years these deposits were repaid by the borrowing entities to the Company on demand. However, some of these deposits amounting to ₹ 35,175 lakhs and interest outstanding thereon amounting to ₹ 6,942 lakhs are lying outstanding as at March 31, 2020. Furthermore, the Company has furnished certain corporate guarantees and post-dated cheques in favour of banks/ other parties who have provided loans to the companies (part of the promoter group), outstanding amount of these guarantees/post-dated cheques being ₹ 13,050 lakhs as at March 31, 2020. Repayment of these deposits and the guarantees/post-dated cheques given to/on behalf of these companies along with future interest have been guaranteed by certain promoter Directors of the Company, in the event of a default by the said companies to pay the dues. Furthermore, a promoter group level restructuring is under way to monetize assets to meet up the various liabilities of the companies (part of the promoter group) including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company. The management therefore believes that the outstanding dues shall be recovered and no provision is required at this stage.

10. Exceptional item relates to the profit on sale of land situated at Moula Ali, Hyderabad pursuant to the execution of sale deed with M/s Nuland Technologies on January 31, 2020. Earlier during the year, the sale of the land situated at Tiruvottiyur, Chennai was completed pursuant to execution of the sale deed on October 09, 2019 in favour of Insight Retail Private Ltd., a subsidiary of Alwarpet Properties Pvt Ltd (Alwarpet), as nominated by Alwarpet.

11. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the quarter and year ended March 31, 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.

12. For preventing the spread of COVID-19, various restrictions and containment measures had been put in place by various state governments and local administrations from middle of March, 2020. Consequently, all the operations of the Company, inclusive of the operations across the distribution network were locked down from March 24, 2020, for a considerable period. On account of the lockdown, the Company was unable to achieve optimum sales figures for the month of March 2020. Certain operations in respect of manufacturing and sales for batteries, being an essential product, were allowed to be resumed in a limited manner subject to restrictions inclusive of social distancing. Subsequently, lockdown relaxations have been announced from time to time on operations of other products in the company portfolio. All efforts are being made to scale up operations within the prescribed guidelines. The management has assessed possible impacts of disruptions on the carrying value of inventories, receivables and other financial assets as at March 31, 2020. Based on such assessment, it has concluded that none of the assets are likely to be impaired. While there may be some impact on the business operations in the short term, it is difficult to assess the same at this point as the situation remains volatile. The Company will continue to monitor the situation.

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13. With reference to RBI circular dated 23/03/2020 for COVID-19 – Regulatory Package, the Company has applied for deferment of instalment of Term Loans. Considering that the deferment has been allowed by Banks, the Company has given effect to current maturities.

14. Figures of the previous quarters/year have been regrouped /rearranged wherever considered necessary.

EVEREADY INDUSTRIES INDIA LTD

Kolkata
July 01, 2020

SINGHI & CO.
Chartered Accountants

Amritanshu Khaitan
Managing Director

Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Eveready Industries India Limited
Report on the Audit of Standalone Annual Financial Results

Disclaimer of Opinion

1. We have audited the accompanying standalone annual financial results of **Eveready Industries India Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2020, and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. We do not express an opinion on the accompanying standalone financial results of the Company. Because of the significance of the matter described in the *"Basis for Disclaimer of Opinion"*, we have not been able to obtain sufficient appropriate audit evidence to provide the basis of our opinion as to whether the aforesaid standalone annual financial results:

   i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 (the Act), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Disclaimer of Opinion

3. We draw attention to Note 6 to the standalone annual financial results that describes the (i) intercorporate deposits and (ii) corporate guarantees and post-dated cheques given to / on behalf of certain companies that are part of the Promoter Group out of which an amount of Rs.42,288.69 Lakhs (including interest) and Rs.13,050 Lakhs respectively are outstanding as at March 31, 2020. Out of the above post dated cheque issued to one party amounting to Rs.4,791.09 Lakhs was dishonoured on presentation and other party has issued notice under section 138 of the negotiable instruments act. However in view of the management the other party has not acted as per the term of agreement and has accordingly sent legal reply against the notice. The Company has also given advance amounting to Rs.7,200 Lakhs (previous year Rs.6,200 Lakhs) to a company, on the basis of a memorandum of understanding (MOU) towards transfer by way of assignment, the leasehold rights of a property. However, neither has the deed been executed nor the refund claimed by the Company and the time period for execution was further extended till September 30, 2020.

   We are unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance / impairment to be recognised on these inter-corporate deposits and advances and of the potential liability to be recognised for the corporate guarantees/post-dated cheques, if any, and the consequential impact on the standalone annual financial results as at and for the year ended March 31, 2020 and accordingly, forms a basis for the Disclaimer of Opinion.

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4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. However because of the matters described in the Basis of Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial results.

Emphasis of matter

5. We draw attention to Note 4 to the standalone financial results which relates to the penalty of Rs. 17,155 Lakhs levied by the Competition Commission of India for non-compliance with provisions of the Competition Act 2002, against which an appeal has been filed by the Company with the National Company Law Appellate Tribunal, New Delhi. As per legal advice obtained by the Company, the amount of penalty cannot be reliably estimated at this stage owing to the uncertainty of the future outcome of the litigation.

Board of Director's Responsibilities for the Standalone Annual Financial Results

6. These Standalone annual financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone annual financial results by the Directors of the Company, as aforesaid.

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7. In preparing the standalone annual financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

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

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

    i. Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 15 below).

    iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Board of Directors.

    iv. Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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v. Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

12. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

13. The financial results for the three months ended March 31, 2019 and year ended March 31, 2019 which are included as comparative results were audited by the erstwhile auditors of the company who issued their disclaimer of opinion vide their report dated May 27, 2019.

    Our opinion is not modified in respect of above matter.

14. The figures for the quarter ended March 31, 2020 and the corresponding quarter ended in the previous year as reported in the standalone results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

15. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued a Disclaimer of Opinion vide our report dated July 1, 2020.

For Singhi& Co.
Chartered Accountants
Firm Registration No.302049E

SINGHI & CO. Chartered Accountants

(Navindra Kumar Surana)
Partner
Membership No. 053816
UDIN: 20053816AAAABO5084

Place: Kolkata
Dated: July 1, 2020

Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Eveready Industries India Limited

Report on the Audit of Consolidated Financial Results

Disclaimer of Opinion

1. We have audited the accompanying consolidated annual financial results of Eveready Industries India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate for the year ended March 31, 2020, and the consolidated statement of assets and liabilities and consolidated statement of cash flows as at and for the year ended on that date (together referred to as the "consolidated annual financial results"),attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. We do not express an opinion on the aforesaid consolidated annual financial results of the Group and its associate company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the aforesaid consolidated annual financial results:

   i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group and its associate company for the year ended March 31, 2020, and the consolidated statement of assets and liabilities and consolidated statement of cash flows as at and for the year ended on that date.

3. The aforesaid consolidated annual financial results include the annual financial results of the following entities:

   Subsidiary Companies
   a) Greendale India Limited
   b) Everspark Hongkong Private Limited

   Associate
   a) Preferred Consumer Products Private Limited

Basis for Disclaimer of Opinion

4. We draw your attention to Note 9 to the consolidated annual financial results that describes the (i) inter-corporate deposits and (ii) corporate guarantees and post-dated cheques given to / on behalf of certain companies that are part of the Promoter Group out of which an amount of Rs.42,116.69 Lakhs (including interest) and Rs.13,050 Lakhs respectively are outstanding as at March 31, 2020. Out of the above post dated cheque issued to one party amounting to Rs.4,791.09 Lakhs was dishonoured on presentation and other party has issued notice under section 138 of the negotiable instruments act. However in view of the management the other party has not acted as per the term of agreement and has accordingly sent legal reply against the notice. The Holding Company has also given advance amounting to Rs.7,200 Lakhs (previous year Rs.6,200 Lakhs) to a company, on the basis of a memorandum of understanding (MOU) towards transfer by way of assignment, the leasehold rights of a property.

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However, neither has the deed been executed nor the refund claimed by the Company and the time period for execution was further extended till September 30, 2020.

We are unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance /impairment to be recognized on these inter-corporate deposits and advances and of the potential liability to be recognized for the corporate guarantees/post-dated cheques, if any, and the consequential impact on the consolidated annual financial results as at and for the year ended March 31, 2020 and accordingly, forms a basis for the Disclaimer of Opinion.

5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated annual financial results' section of our report. We are independent of the Group and its associate company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. However because of the matters described in the Basis of Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial results.

Emphasis of Matter

6. We draw attention to Note 7 to the consolidated annual financial results which relates to the penalty of Rs.17,155 Lakhs levied by the Competition Commission of India for non-compliance with provisions of the Competition Act 2002, against which an appeal has been filed by the Holding Company with the National Company Law Appellate Tribunal, New Delhi. As per legal advice obtained by the Holding Company, the amount of penalty cannot be reliably estimated at this stage owing to the uncertainty of the future outcome of the litigation.

Board of Director's Responsibilities for the Consolidated Annual Financial Results

7. These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Directors of the Holding Company, as aforesaid.

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

9. The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

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Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

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

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

    i. Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 20 below).

    iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

    iv. Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

    v. Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

    vi. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph 16 and 17 of the section titled "Other Matters" in this audit report.

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

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13. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

15. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable

Other matters

16. We did not audit the annual financial results of a subsidiary whose financial results reflect total assets of Rs.4.21 Lakhs and net assets of Rs.(202.20) Lakhs as at March 31, 2020, total revenue of Rs.0.25 Lakhs and Rs.0.25 Lakhs, net loss of Rs.(36.54) Lakhs and Rs.(27.14) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs.(36.54) Lakhs and Rs.(27.14) Lakhs for the year ended March 31, 2020 and for the period from January 1, 2020 to March 31, 2020 respectively and net cash outflows amounting to Rs 0.41 Lakhs for the year ended March 31, 2020, as considered in the consolidated annual financial results. The consolidated annual financial results also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs.(118.70) Lakhs and Rs.(36.38) Lakhs for the year ended March 31, 2020 and for the period from January 1, 2020 to March 31, 2020 respectively as considered in the consolidated annual financial results, in respect of an associate company whose financial results have not been audited by us. These annual financial results have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated annual financial results insofar as it relates to the amounts and disclosures included in respect of the subsidiary and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

17. The annual financial results of a subsidiary located outside India, included in the consolidated annual financial results, which constitute total assets of Rs.555.97 Lakhs and net assets of Rs.512.21 Lakhs as at March 31, 2020, total revenue of Rs.2,126.91 Lakhs and Rs.462.25 Lakhs, total comprehensive income (comprising of profit / (loss) and other comprehensive income) of Rs.27.53 Lakhs and Rs.(3.36) Lakhs for the year ended March 31, 2020 and for the period from January 1, 2020 to March 31, 2020 respectively and net cash outflow amounting to Rs.(107.93) Lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in that country and have been audited by other auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the annual financial results of such subsidiary located outside India from the accounting principles generally accepted in that country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Company and audited by us.

18. The consolidated annual financial results for the three months ended March 31, 2019 and year ended March 31, 2019 which are included as comparative results were audited by the erstwhile auditors of the company who issued their disclaimer of opinion vide their report dated May 27, 2019.

    Our opinion is not modified in respect of above matter.

19. The figures for the quarter ended March 31, 2020 and the corresponding quarter ended in the previous year as reported in the consolidated results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous

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financial year respectively. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

20. The consolidated annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchanges. These results are based on and should be read with the audited consolidated annual financial statements of the Company for the year ended March 31, 2020 on which we issued a Disclaimer of Opinion vide our report dated July 1, 2020.

For Singhi& Co.
Chartered Accountants
Firm Registration No.302049E

(Navindra Kumar Surana)
Partner
Membership No. 053816
UDIN: 20053816AAAABP8787

Place: Kolkata
Dated: July 1, 2020

Standalone Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	125,765.56	125,765.56
	2.	Total Expenditure	107,808.98	107,808.98
	3.	Net Profit/(Loss)	17,956.58	17,956.58
	4.	Earnings Per Share	24.70	24.70
	5.	Total Assets	126,194.74	126,194.74
	6.	Total Liabilities	70,482.12	70,482.12
	7.	Net Worth	55,712.62	55,712.62
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification (Disclaimer of Opinion)**: We draw attention to Note 6 to the standalone annual financial results that describes the (i) intercorporate deposits and (ii) corporate guarantees and post-dated cheques given to / on behalf of certain companies that are part of the Promoter Group out of which an amount of Rs.42,288.69 Lakhs (including interest) and Rs.13,050 Lakhs respectively are outstanding as at March 31, 2020. Out of the above post dated cheque issued to one party amounting to Rs.4,791.09 Lakhs was dishonoured on presentation and other party has issued notice under section 138 of the negotiable instruments act. However in view of the management the other party has not acted as per the term of agreement and has accordingly sent legal reply against the notice. The Company has also given advance amounting to Rs.7,200 Lakhs (previous year Rs.6,200 Lakhs) to a company, on the basis of a memorandum of understanding (MOU) towards transfer by way of assignment, the leasehold rights of a property. However, neither has the deed been executed nor the refund claimed by the Company and the time period for execution was further extended till September 30, 2020.

We are unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance / impairment to be recognised on these inter-corporate deposits and advances and of the potential liability to be recognised for the corporate guarantees/post-dated cheques, if any, and the consequential impact on the standalone annual financial results as at and for the year ended March 31, 2020 and accordingly, forms a basis for the Disclaimer of Opinion.

b. **Type of Audit Qualification** : ~~Qualified Opinion~~ / Disclaimer of Opinion / ~~Adverse Opinion~~

c. **Frequency of qualification**: Since FY 2018-19

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**: Not Quantified by the Auditor

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**:

(i) Management's estimation on the impact of audit qualification (Disclaimer of Opinion):

Based on the management's analysis and assumptions, it is believed that the Financial Statements for the year ended March 31, 2020 are materially correct and reflect a true and fair view in accordance with the Indian Accounting Standards and applicable laws. Hence the management does not believe that there is any material financial impact on the said Disclaimer of Opinion.

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

- the inter-corporate deposits extended by the Company are repayable on demand. Accordingly, from time to time, certain inter corporate deposits were repaid by the borrowing entities to the Company on demand in earlier years. However, some of these inter-corporate deposits amounting to Rs. 42,288.69 Lakhs (including interest) are lying outstanding as at March 31, 2020.

- the liability on the Company on account of the corporate guarantees/post-dated cheques will not arise till the concerned borrower(s) default on their payment obligations. While a post-dated cheque amounting to Rs.4,791.09 Lakhs which was provided as security was dishonoured on presentation on the basis of which the counter-party had issued a notice under section 138 of the Negotiable Instruments Act, 1881, the Company had sent a legal response to such notice within the stipulated time period, *inter alia* stating that such act was in contravention to the terms of agreement between the parties and the said notice under Section 138 should be withdrawn immediately. Thereafter, there has been no further communication in this regard from the counter-party and no legal action has also been initiated against the Company or its directors in relation to the same under the Negotiable Instruments Act. Further, since the 90-day time period for presenting the aforementioned post-dated cheque has expired, the said post-dated cheque is not valid as on date. The understanding between the borrowers, the lenders and the Company is that such corporate guarantees and post-dated cheques extended by the Company are only meant as security and would not be enforced/ banked. It was also envisaged that such loans extended to the borrowing companies would be repaid from the proceeds of the sale of assets of certain promoter group companies and the promoter group restructuring and thus, the corporate guarantees/post-dated cheques would never be invoked. Thus, the management believes that there is no liability as on date and therefore no provision is required at this stage.

- repayment of these inter-corporate deposits and the guarantees/post-dated cheques given to/on behalf of these companies along with future interest have been guaranteed by certain promoter Directors of the Company, in the event of a default by the said companies to repay the dues. The said guarantee extended by the promoter directors are currently valid and subsisting. Furthermore, a promoter group level restructuring is under way through which the promoters of the Company are *inter alia* exploring the possibility of capital infusion into certain promoter group companies. On account of the widespread disruptions caused by Covid-19 globally and the ensuing lockdown in India, the proposed restructuring/ capital infusion have been slightly delayed. However, the promoters are in the process of carrying out a group level restructuring (including the possibilities of monetizing certain assets of group companies) to address all outstanding liabilities and obligations of the group companies, including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company. The management therefore believes that the outstanding dues shall be recovered, and no provision is required at this stage.

- With regard to the assignment of leasehold rights the Company has received a letter from the Assignor requesting for extension of the time period under the MOU on account of the widespread disruption and lockdown on account of the Covid-19 pandemic. The Company has further extended the time period for execution till September 30, 2020. In the event the Company decides to not proceed with the transaction or the Assignor fails to make out a clear and marketable title, the Company has the right to rescind/cancel the MOU, basis which Assignor has to refund any money paid by the Company as part payment towards the total consideration.

	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above: Refer section II (a) above

III.	Signatories:	
	Amritanshu Khaitan Managing Director	AKhaitan
	Bibhu Ranjan Saha Joint CFO Indranil Roy Chowdhury Joint CFO	
	Arundhuti Dhar Audit Committee Chairperson	
	Navindra Kumar Surana Partner Singhi & Co. Chartered Accountants Statutory Auditor	
	Place: Kolkata Date : July 01, 2020	

Consolidated Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	126,772.11	126,772.11
	2.	Total Expenditure (including tax expense and share of loss of associates)	108,943.29	108,943.2
	3.	Net Profit/(Loss)	17,282.82	17,282.82
	4.	Earnings Per Share	24.53	24.53
	5.	Total Assets	125,627.47	125,627.47
	6.	Total Liabilities	70,075.75	70,075.75
	7.	Net Worth	55,551.72	55,551.72
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification (Disclaimer of Opinion)** : We draw your attention to Note 9 to the consolidated annual financial results that describes the (i) inter-corporate deposits and (ii) corporate guarantees and post-dated cheques given to / on behalf of certain companies that are part of the Promoter Group out of which an amount of Rs.42,116.69 Lakhs (including interest) and Rs.13,050 Lakhs respectively are outstanding as at March 31, 2020. Out of the above post dated cheque issued to one party amounting to Rs.4,791.09 Lakhs was dishonoured on presentation and other party has issued notice under section 138 of the negotiable instruments act. However in view of the management the other party has not acted as per the term of agreement and has accordingly sent legal reply against the notice. The Holding Company has also given advance amounting to Rs.7,200 Lakhs (previous year Rs.6,200 Lakhs) to a company, on the basis of a memorandum of understanding (MOU) towards transfer by way of assignment, the leasehold rights of a property. However, neither has the deed been executed nor the refund claimed by the Company and the time period for execution was further extended till September 30, 2020.

We are unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance /impairment to be recognized on these inter-corporate deposits and advances and of the potential liability to be recognized for the corporate guarantees/post-dated cheques, if any, and the consequential impact on the consolidated annual financial results as at and for the year ended March 31, 2020 and accordingly, forms a basis for the Disclaimer of Opinion.

b. **Type of Audit Qualification** : ~~Qualified Opinion~~ / Disclaimer of Opinion / ~~Adverse Opinion~~

c. **Frequency of qualification**: Since FY 2018-19

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views**: Not Quantified by the Auditor

e. **For Audit Qualification(s) where the impact is not quantified by the auditor**:

(i) **Management's estimation on the impact of audit qualification (Disclaimer of Opinion):**

Based on the management's analysis and assumptions, it is believed that the Financial Statements for the year ended March 31, 2020 are materially correct and reflect a true and fair view in accordance with the Indian Accounting Standards and applicable laws. Hence the management does not believe that there is any material financial impact on the said Disclaimer of Opinion.

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

- the inter-corporate deposits extended by the Company are repayable on demand. Accordingly, from time to time, certain inter corporate deposits were repaid by the borrowing entities to the Company on demand in the earlier years. However, some of these inter-corporate deposits amounting to Rs.42,116.69 Lakhs (including interest) are lying outstanding as at March 31, 2020.

- the liability on the Company on account of the corporate guarantees/post-dated cheques will not arise till the concerned borrower(s) default on their payment obligations. While a post-dated cheque amounting to Rs.4,791.09 Lakhs which was provided as security was dishonoured on presentation on the basis of which the counter-party had issued a notice under section 138 of the Negotiable Instruments Act, 1881, the Company had sent a legal response to such notice within the stipulated time period, *inter alia* stating that such act was in contravention to the terms of agreement between the parties and the said notice under Section 138 should be withdrawn immediately. Thereafter, there has been no further communication in this regard from the counter-party and no legal action has also been initiated against the Company or its directors in relation to the same under the Negotiable Instruments Act. Further, since the 90-day time period for presenting the aforementioned post-dated cheque has expired, the said post-dated cheque is not valid as on date. The understanding between the borrowers, the lenders and the Company is that such corporate guarantees and post-dated cheques extended by the Company are only meant as security and would not be enforced/ banked. It was also envisaged that such loans extended to the borrowing companies would be repaid from the proceeds of the sale of assets of certain promoter group companies and the promoter group restructuring and thus, the corporate guarantees/post-dated cheques would never be invoked. Thus, the management believes that there is no liability as on date and therefore no provision is required at this stage.

- repayment of these inter-corporate deposits and the guarantees/post-dated cheques given to/on behalf of these companies along with future interest have been guaranteed by certain promoter Directors of the Company, in the event of a default by the said companies to repay the dues. The said guarantee extended by the promoter directors are currently valid and subsisting. Furthermore, a promoter group level restructuring is under way through which the promoters of the Company are *inter alia* exploring the possibility of capital infusion into certain promoter group companies. On account of the widespread disruptions caused by Covid-19 globally and the ensuing lockdown in India, the proposed restructuring/ capital infusion have been slightly delayed. However, the promoters are in the process of carrying out a group level restructuring (including the possibilities of monetizing certain assets of group companies) to address all outstanding liabilities and obligations of the group companies, including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company. The management therefore believes that the outstanding dues shall be recovered, and no provision is required at this stage.

- With regard to the assignment of leasehold rights the Company has received a letter from the Assignor requesting for extension of the time period under the MOU on account of the widespread disruption and lockdown on account of the Covid-19 pandemic, which has made it impossible for the Assignor to fulfil its obligations under the MOU. The Company has further extended the time period for execution till September 30, 2020. In the event the Company decides to not proceed with the transaction or the Assignor fails to make out a clear and marketable title, the Company has the right to rescind/cancel the MOU, basis which Assignor has to refund any money paid by the Company as part payment towards the total consideration.

(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable

(iii) Auditors' Comments on (i) or (ii) above: Refer section II (a) above

III.	Signatories:	
	Amritanshu Khaitan Managing Director	
	Bibhu Ranjan Saha Joint CFO Indranil Roy Chowdhury Joint CFO	
	Arundhuti Dhar Audit Committee Chairperson	
	Navindra Kumar Surana Partner Singhi & Co. Chartered Accountants Statutory Auditor	
	Place: Kolkata Date : July 1, 2020	

Pradeep Ramakrishnan
General Manager
Compliance and Monitoring Division-1
Corporation Finance Department

SEBI/HO/CFD/CMD1/OW/P/2020/14397/1
September 4, 2020

To

Mr. Aditya Khaitan
Mr. Amritanshu Khaitan
Ms. Arundhuti Dhar
Mr. Mahesh Shah
Mr. Kamalkishore C. Jani
Mr. Roshan Louis Joseph
Ms. Suvamoy Saha

collectively, 'the Board of Directors'

Eveready Industries India Ltd.,
1, Middleton Street, Kolkata,
West Bengal - 700071

Sir/Madam,

Sub: Advisory-and-Caution in relation to compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This has reference to the correspondence with Eveready Industries India Limited ('**Eveready' / 'Company**') on outstanding Inter-Corporate Deposits (ICDs), Corporate Guarantees (CGs) and Post-dated Cheques (PDCs) given to / on behalf of promoter group companies and the Memorandum of Understanding (MoU) on assignment of leasehold rights with Seajuli Developers and Finance Ltd. ('**Seajuli Developers**'), a promoter group company.

2. In this regard, the following is observed:

   a. As per the auditors' report on the standalone financial results for the year ended 31st March 2020, ICDs worth ₹422.89 crore and CGs and PDCs worth ₹130.5 crore given to / on behalf of certain companies (starting from 2017-18) that are part of the promoter group are still outstanding as on March 31, 2020.;
   b. The Company has also given an advance amounting to ₹72 crore (in three instalments, commencing September 2018 onwards) to Seajuli Developers on the basis of a MoU towards transfer of the leasehold rights of a property by way of assignment. However, while neither has the deed been executed nor the refund claimed by the Company from such parties, the time period for execution has been extended multiple times, presently valid till September 30, 2020;
   c. The auditors have cited that they are unable to obtain sufficient appropriate audit evidence regarding the extent of the loss allowance / impairment to be recognised for the CGs / PDCs, if any, and the consequential impact on the financial results and accordingly this forms a basis for the disclaimer of opinion of the auditors.

d. In view of the significance of the matter described in the *"Basis for Disclaimer of Opinion"*, the auditors have not been able to obtain sufficient appropriate audit evidence to provide the basis for their opinion as to whether the aforesaid annual financial results:

   i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 (the Act), and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date.

3. In response to queries raised by SEBI in relation to the said events, the Company has stated as under:

   a. *The Board took note of the status of the inter corporate deposits and interest thereon, outstanding as on March 31, 2020 and also of the status of guarantees and certain post dated cheques as issued by the Company in connection with certain financial assistances, as on March 31, 2020 and discussed on the strategies for repayment and/or the recoverability of the same.*

   b. *The Board was informed and noted that a proposed promoter group level restructuring is under way through which the promoters of the Company are inter alia exploring the possibility of capital infusion into certain promoter group companies and the possibilities of monetizing certain assets of such group companies to address all outstanding liabilities and obligations of the promoter group companies, including the outstanding advances and any potential liability related to the guarantees/post-dated cheques, due to the Company and that on account of the widespread disruptions caused by Covid-19 globally and the ensuing lockdown in India, the proposed restructuring/ capital infusion have been slightly delayed and the Board advised the Promoter Directors to revert, with regard to timelines and appropriate proposals for the repayment/recovery of the above before the Board Meeting for the quarter, failing which, steps for recoverability may be initiated after taking the requisite legal advice on the same.*

   c. *With regard to the assignment of leasehold rights, it was noted that the Company has received a request from the Seajuli Developers and Finance Ltd., the Assignor, requesting for extension of the time period under the MOU till September 30, 2020, on account of the widespread disruption and lockdown on account of the Covid-19 pandemic.*

   d. *The Board noted that it would prudent for the Company to acquire and develop the said property to be assigned under the said MOU and considered it prudent to extend the MOU till September 30, 2020 to complete the transaction failing which the Company has the right to rescind/ cancel the MOU, basis which Seajuli has to refund any money paid by the Company as part payment towards the total consideration after taking requisite legal advice on the same.*

4. With respect to the aforementioned issues, the following are observed:
   a. A substantial amount of ₹553 crore (*including interest)* of ICDs, CGs and PDCs given to / on behalf of promoter group companies are outstanding as on March 31, 2020.
   b. It is observed that the aforementioned ICDs were advanced to promoter group companies from the year 2017-18 and are outstanding for the past three years. It is also noted there has been no repayment of the loans and the interest from March 31, 2019.
   c. The issue of outstanding ICDs, CGs and PDCs given to / on behalf of promoter group companies have continuously been highlighted by statutory auditors in their limited review / audit reports. M/s. Price Waterhouse & Co., the previous statutory auditor of the Company had resigned in June 2019 citing *'Basis of Disclaimer of Opinion'* on the financial statements and internal financial controls as given in their Audit Report for the year ended March 31, 2019.
   d. The Company has paid a substantial amount as advance *(₹72 Crore as part payment out of the consideration of ₹85 Crore*) towards the MoU for assignment of leasehold rights of a property – however, assignment has not happened till date (*MoU was entered on September 26, 2018*) resulting in the listed entity's funds getting locked with the promoter group company.

5. As per regulation 4(2)(f)(ii)(6) & 4(2)(f)(iii)(3) of the LODR Regulations, the key functions and responsibilities of board of directors include:

   "...Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
   ... Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders"

   The aforementioned amounts are substantial and aggregate to almost 1/3rd of the Company's turnover; they have also been outstanding from the year 2017-18, without any interest being paid to the Company or assets transferred to the company since March 2019. Moreover, the terms of these loans/advances/deposits have been designed in a manner whereby interest / principal is payable only on demand; thus, *prima facie*, not in the interest of the Company and its shareholders. SEBI, vide its email dated July 1, 2020, had asked the company for a specific timeline for the recovery of outstanding ICDs, CGs, PDCs given to / on behalf of promoter group companies. However, despite the same, the board has not provided any timeline for recovery.

6. In view of the above, the following advisory is issued:
   a. <u>With respect to outstanding ICDs, CGs, PDCs</u>: The board of directors is advised to place the complete issue regarding the terms and conditions and the status, before shareholders, along with the recommendation of the board for corrective action (including definitive timelines for repayment), in the forthcoming general meeting for information and decision.

b. With respect to assignment of leasehold rights of a property: The board of directors shall take necessary immediate corrective action, including but not limited to completion of assignment of the property to the Company, recovery of advance paid etc. and inform the shareholders of the same.

It is noted that the Company has called for its AGM on September 26, 2020. The aforementioned issues, along with the recommendation of the board for corrective action, shall be placed in the AGM.

7. The board of directors and the Audit Committee of the Company are also cautioned for not exercising proper diligence while discharging their responsibilities under the LODR Regulations in this regard.

8. You are advised to disseminate this advisory to the stock exchanges, who are advised to take note of the contents of this letter.

Yours faithfully,

Pradeep Ramakrishnan

Copy to BSE and NSE (*via email*)