DCM SHRIRAM INDUSTRIES LTD.

'KANCHENJUNGA', 18, BARAKHAMBA ROAD, NEW DELHI-110001, INDIA.

July 15th, 2019

To,
BSE Ltd.,
Pheeroze JeeJeebhoy Towers,
Dalal Street, Fort,
Mumbai- 400 001

SCRIP CODE-523369
Annual Report for the Financial Year 2018-19

Dear Sir(s),

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we attach herewith Annual Report for the financial year 2018-19.

The same is also available on the website of the Company i.e., www.dcmsr.com.

DCM SHRIRAM INDUSTRIES LTD. NEW DELHI

Yours faithfully

(Y.D.Gupta)
Company Secretary

TEL: 23759300 ☐ FAX : (011) 23315424 / 23350765 ☐ E-mail : dsil@dcmsr.com ☐ POST BOX No. 205
☐ VISIT US AT : http://www.dcmsr.com CIN : L74899DL1989PLC035140, GSTIN : 07AAACD0204C2ZM

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2018-19

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Shri S.B. Mathur	Chairman – Non Executive
	Shri Tilak Dhar	Sr. Managing Director
	Shri Alok B. Shriram	Jt. Managing Director
	Shri Madhav B. Shriram	Dy. Managing Director
	Shri K.N. Rao	Director & CEO (Rayons)
	Shri P.R. Khanna	
	Shri Ravinder Narain	
	Shri S.C. Kumar	
	Shri C. Vikas Rao	LIC Nominee w.e.f. 28.05.2019
	Ms. V. Kavitha Dutt	
	Shri Sanjay C. Kirloskar	
Principal Executives	Shri B.P. Khandelwal	President
	Shri G. Kumar	Advisor to Sr. MD
	Shri Anil Gujral	Chief Executive Officer (Chemicals)
	Shri N.K. Jain	Chief Financial Officer
	Shri P.V. Bakre	Group Sr. Vice President
Company Secretary	Shri Y.D. Gupta	Chief General Manager (Law & Taxation)
Bankers	State Bank of India	
	Punjab National Bank	
	Oriental Bank of Commerce	
	Axis Bank Ltd.	
	Bijnor Zila Sahkari Bank Ltd.	
	Meerut Zila Sahkari Bank Ltd.	
	Lakhimpur Kheri Zila Sahkari Bank Ltd.	
Auditors	B S R & Co., LLP	
	Gurugram	

Registered Office	Kanchenjunga Building,	CIN	: L74899DL1989PLC035140
	6th Floor,	Tel. No.	: (011) 2375 9300
	18, Barakhamba Road,	Fax No.	: (011) 2335 0765
	New Delhi - 110 001	e-mail	: dsil@dcmsr.com
		Website	: https://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Registered Office : Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi - 110 001.

CIN: L74899DL1989PLC035140 Telephone :011-23759300 Fax No.011-23350765

Email: dsil@dcmsr.com Website : https://www.dcmsr.com

NOTICE

The 28th Annual General Meeting of the Company will be held on Tuesday, the 13th August 2019 at 11.00 A.M. at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi -110 001, for transacting the following business:

Ordinary Business:

1. **Adoption of Financial Statements**

   To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. **Declaration of Dividend**

   To declare dividend for the financial year ended 31st March, 2019.

3. **Appointment of director liable to retire by rotation**

   To appoint a director in place of Shri Alok B. Shriram (DIN 00203808), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. **Cost Auditors – Ratification of Remuneration**

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration of Rs.1.46 lakh plus GST and out of pocket expenses, if any, fixed by the Board of Directors on recommendation of the Audit Committee for audit of the cost records of the Company by M/s Ramanath Iyer & Co., for the year 2019-20, be and is hereby ratified and confirmed."

5. **Appointment of Additional Director**

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

   "RESOLVED THAT Shri C. Vikas Rao (DIN 06900458), who was appointed by the Board as an Additional Director pursuant to Section 161 and any other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force and also pursuant to Life Insurance Corporation of India's letter dated 15.5.2019 nominating him as a Director on the Company's Board, and the provisions of the Articles of Association of the Company, be and is hereby appointed as a Nominee Director on the Board of the Company.

   RESOLVED FURTHER THAT the Sr. Managing Director and / or the Company Secretary be and are hereby severally authorized to sign and file the necessary form / return with the Registrar of Companies, NCT of Delhi and Haryana, required for appointment of the Director."

6. **Reappointment of Ms. V. Kavitha Dutt, Independent Director**

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

   "RESOLVED THAT, pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and relevant Regulation(s) of the SEBI (LODR) Regulations, 2015, the proposal to reappoint Ms.V. Kavitha Dutt (holding DIN 00139274), an Independent Director on the Board of the Company, whose current term expires on 01.02.2020 and who has given her consent to continue to be an Independent Director on the Board of the Company, if appointed, as an Independent Director for another term of five consecutive years with effect from 02.02.2020, be and is hereby approved."

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED

(Y.D. Gupta)
Company Secretary & Chief General Manager
(Law & Taxation)
FCS 3405

New Delhi,
May 27, 2019

NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is annexed.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 03.08.2019 to 13.08.2019 (both days inclusive).
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IS ATTACHED. A person can act as proxy on behalf of not exceeding fifty (50) Members and holding in the aggregate not more than 10% of the total share capital of the Company.

   The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable.
4. A dividend of Rs.6.00 (60%) per share of Rs.10 has been recommended by the Board of Directors for the year ended 31.03.2019 and subject to the approval of the shareholders at the ensuing AGM, is proposed to be paid on or before 12.09.2019.
5. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unclaimed dividends in respect of the Financial Year 2009-10 to the IEPF in October 2017. The details are available on the website of the Company i.e. https://www.dcmsr.com.

The shares in respect of which dividend has not been claimed for 7 consecutive years or more are also required to be transferred to the IEPF following the prescribed procedure. The Company had in compliance with the said Rules transferred 406365 equity shares held by 27848 shareholders to IEPF in the month of December 2017. The shares and dividend so transferred can be claimed from the IEPF after complying with the prescribed requirements. As per the Rules the holders of such shares cannot exercise any of the rights attached to the shares unless the shares are reclaimed from the IEPF.

The shareholders, who have not encashed their dividend warrant/s for the previous year/s may contact the Company or Registrar & Transfer Agents for issue of duplicate warrants.

6. Those who hold shares in physical form may notify change of address, if any, to Karvy Fintech Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or New Delhi House, 305, 3rd Floor, Barakhamba Road, New Delhi – 110001, along with self attested copies of address proof and PAN card. **Members may note that SEBI by Circular dated 20.4.2018 has made it mandatory for the persons holding shares in physical form to furnish their PAN and Bank details to the Company/ Registrar & Transfer Agent (Karvy). Members are requested to comply with the requirement at the earliest.**

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy Fintech Pvt. Ltd.

8. The information with regard to Shri Alok B. Shriram, whose reappointment as a Director, liable to retire by rotation, given in Note 18 hereunder, forms an integral part of this Notice.

9. Electronic copy of the Annual Report along with the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report along with the Notice of the 28th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode.

10. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website https://www.dcmsr.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post/ courier, free of cost. For any communication, the shareholders may also send requests to the Company's email id: investorservices@dcmsr.com.

11. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be entitled to vote again at the meeting. Members attending the meeting but have not exercised their right to vote through remote e-voting can cast their votes at the meeting through ballot paper.

12. **Voting through electronic means**

In compliance with provisions of Section108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide all its members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means, as an alternate. Please note that the voting through electronic means is optional.

The voting through electronic means will commence on 08.08.2019 at 10.00 AM and will end on 12.08.2019 at 5.00 PM. The members will not be able to cast their vote electronically beyond the date and time mentioned above. The procedure and instructions for e-voting are as follows:

(a) Open your web browser during the voting period and navigate to “https://evoting.karvy.com”

(b) Enter the login credentials (i.e. user-id & password) mentioned on the Attendance Slip. Your Folio/ DP -Client ID will be your User-ID

User - ID	- For Members holding shares in Demat Form: a) For NSDL- 8 character DPID followed by 8 digit Client ID b) For CDSL- 16 digit beneficiary ID - For Members holding shares in Physical Form: Electronic Voting Event Number (EVEN) followed by Folio no. registered with the Company
Password	Your Unique password is printed on the AGM Attendance slip / forwarded through the electronic notice via email, in case email is registered.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

(c) Please contact on toll free no.18003454001 / 040-67161527 for any further clarification.

(d) Members whose name appear in the register of members/ beneficial owners as on cut off date i.e. 02.08.2019, can cast their vote on-line from 10.00 AM on 08.08.2019 up to 5.00 PM on 12.08.2019.

(e) After entering these details appropriately, click on “LOGIN”.

(f) Members holding shares in Demat/ Physical form will now reach Password Change Menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z) one numeric value (0-9) and a special character (#, $, &..). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through **Karvy Fintech Pvt. Limited e-voting platform**. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(g) You need to login again with the new credentials.

(h) On successful login, system will prompt to select `Event’ i.e.`Company Name’.

(i) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and cast your vote earlier for any company, then your existing login id and password are to be used.

(j) On the voting page, you will see Resolution Description and against the same the option `FOR / AGAINST/ ABSTAIN’ for voting. Enter the number of shares (which represents number of votes) under `FOR/ AGAINST/ ABSTAIN’ or alternatively you may partially enter any number in `FOR’ and partially in `AGAINST’, but the total number in “FOR / AGAINST” taken together should not exceed your total shareholding. If the shareholder does not want to cast vote, select “ABSTAIN”.

(k) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(l) Once you `CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.

(m) Corporate/ Institution Members (Corporate/ FIs/ FIIs/ Trusts/ Mutual Funds/ Banks, etc.) are required to send scanned (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to investorservices@dcmsr.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name- -Event no.".

(n) Shri Swaran Kumar Jain (C.P.No.4906), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

13. The Scrutinizer shall immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than 2 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter-sign the report and declare the results forthwith.

14. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "https://www.dcmsr.com" and on the website of Karvy immediately.

15. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. We propose to send all future communications in electronic mode to the email address provided by you. Members who have not registered their email IDs are requested to intimate their email ID to the Company's Registrars, viz. Karvy Fintech Pvt. Ltd. (Email ID: einward.ris@karvy.com) or their depository participants.

16. **KPRISM - Mobile Service Application by Karvy:** Members are requested to note that, Registrar and Share Transfer Agents, M/s. Karvy Fintech Pvt. Limited have launched a new mobile application – KPRISM and website https://kprism.karvy.com for online service to shareholders.

    Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view serviced by Karvy, Dividends status and send requests for change of address, change/ update Bank Mandate. Through the mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store. Alternatively visit the link https://kprism.karvy.com/app/ to download the mobile application.

17. **Inspection:** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, upto and including the date of the Annual General Meeting of the Company.

18. **Profile of the Director retiring by rotation:** Shri Alok B. Shriram, was reappointed on the Board as a Director liable to retire by rotation at the AGM held on 10.08.2016. Shri Alok B. Shriram, aged 58 years, has 39 years of experience in various management positions. He graduated from Shriram College of Commerce, and is presently the Jt. Managing Director of the Company looking after the Rayons Division. He holds 8536 equity shares of Rs.10 each in the Company. He is the past President of PHD Chamber of Commerce and Industry and is a Member of its Executive Committee. He is also a Member of the Managing Committee of FICCI. He is not a director on the Board of any other listed company.

    Shri Alok B. Shriram, being eligible, offers himself for reappointment as a Director liable to retire by rotation in terms of Section 152 of the Companies Act, 2013.

    Considering his contribution to the growth of the Company, the Directors recommend the resolution.

    He is related to Shri Tilak Dhar, Sr. MD, and Shri Madhav B. Shriram, DMD. No other directors or key managerial personnel of the Company or their relative(s) is interested financially or otherwise in the resolution.

19. Route–map to the venue of the AGM is printed in the inner side of the back cover of the Annual Report.

Annexure

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

The Board of Directors in their meeting held on 27.5.2019 appointed M/s. Ramanath Iyer & Co., Cost Auditors, 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2019-20 at a remuneration of Rs.1.46 lakh plus GST and out of pocket expense as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration to the Cost Auditors, fixed by the Board for the financial year 2019-20, is for ratification and confirmation by the shareholders as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

None of the directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

Item No.5

Shri C. Vikas Rao was appointed as an Independent Director pursuant to Section 149 of the Companies Act, 2013 by the Board of Directors w.e.f. 14.08.2014 and the appointment was approved by the shareholders at the AGM held on 24.9.2015. Shri C. Vikas Rao is presently the Zonal Manager, Western Zone of LIC of India, Mumbai. LIC vide letter dated 15.5.2019 advised Shri C. Vikas Rao to resign from the Company as an Independent Director and nominated him a Nominee Director pursuant to Section 6A of the Life Insurance Corporation Act, 1956. LIC is the largest institutional shareholder in the Company holding 7.13% of the equity capital. Article 76 of the Articles of Association of the Company confer a right on the Corporation to nominate a Director on the Board so long as it holds shares in the Company.

Accordingly, Shri C. Vikas Rao has resigned from the Board as an Independent Director effective from the conclusion of the Board meeting held on 27.5.2019. The Board of Directors in reference to the LIC's letter referred to above and as per recommendation of the Nomination and Remuneration Committee, co-opted Shri C. Vikas Rao on the Board as an Additional Director pursuant to Section 161 read with Section 152 of the Companies Act, 2013 and other applicable provisions and the provisions of the Articles of Association of the Company w.e.f. 28.5.2019. Shri C.Vikas Rao as Additional Director, holds office till the ensuing AGM on 13.8.2019. It is proposed to appoint him as a Nominee Director not liable to retire by rotation on the Board as proposed by LIC of India.

Shri C. Vikas Rao, B.Sc.(Hons) & MBA, aged about 57 years, has long experience in the financial sector particularly in fund management and insurance business. He is presently Zonal Manager (Western Zone), Life Insurance Corporation of India, Mumbai.

Shri C. Vikas Rao has given his consent pursuant to Section 152 of the Companies Act, 2013 to be a director on the Board of the Company, if appointed.

Shri C. Vikas Rao has confirmed that he has not been disqualified to be appointed a Director on the Board of a company u/s 164 of the Companies Act, 2013 and also confirmed under C(10) of Schedule V of SEBI (LODR) Regulations that he is not debarred from holding an office of director by SEBI or any other statutory authority.

Shri Vikas Rao does not hold any shares in the Company. He has no other directorship.

The Board recommends the resolution for the approval by the shareholders of the Company.

Except Shri C. Vikas Rao, being the appointee, none of the other directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.5.

Item No.6

The Nomination & Remuneration Committee in its meeting held on 27.5.2019 proposed to the Board to recommend reappointment of Ms. V. Kavitha Dutt as an Independent Director for another term of 5 years from 02.02.2020, to the shareholders in the ensuing Annual General Meeting, considering her contribution during the present term. The Board in its meeting held on 27.05.2019 decided to recommend reappointment of Ms. V. Kavitha Dutt as an Independent Director for a further term of 5 years from 02.02.2020 to the shareholders.

Ms. V. Kavitha Dutt is a Graduate from Cedar Crest college, Allentown, Penn in Business Management, with specialization in International Business. She also holds PG Diploma in Human Resources. She is 49 years of age and is presently Jt. Managing Director, the K.C.P. Limited, Chennai. She has skills and experience in different spheres of manufacturing and management. She is also actively involved with socio-cultural organizations and in promotion of education. She is a past president of FICCI Ladies Organisation. Her directorships in other companies are given below:

Diretorships	Chairman/Member of the Committee of the Board	
1. K C P Ltd. (Jt. Managing Director)	- Audit Committee	Member
2. V. Ramakrishna Sons P. Ltd.		
3. K C P Vietnam Industries Ltd. (Registered in Vietnam)		
4. ABI Showatech (India) Ltd. (ID)		
5. Appollo Hospitals Enterprises Ltd. (ID)		
6. Velagapudi Foundation		
7. Chennai Willingdon Corporate Foundation		

Ms. V. Kavitha Dutt has given her consent to continue to be an Independent Director on the Board of the Company, if reappointed, and confirmed that she meets the criteria of independence laid down u/s 149(6) of the Companies Act, 2013. She holds 500 equity shares in the Company.

She has also confirmed that she has not been disqualified or debarred to be a Director or appointed a Director in a company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities.

Considering the skills and contribution of Ms. V. Kavitha Dutt during her present tenure, the Directors recommend the resolution for your approval.

Except Ms. V. Kavitha Dutt, being the appointee, none of the other directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

Interest

Except as indicated under the respective item, none of the directors or Key Managerial Personnel or their relative(s) is concerned or interested financially or otherwise in the Resolutions.

INSPECTION: The following documents will be available for inspection at the registered office of the Company during office hours with reference to resolution No.5:

Copies of i) letter dated 15.5.2019 from LIC nominating Shri C. Vikas Rao as a nominee director on the Board; ii) letter dated 15.5.2019 from Shri C. Vikas Rao resigning from the Board of the Company as an Independent Director effective from the conclusion of the Board meeting scheduled for 27.5.2019; iii) declaration from Shri C. Vikas Rao u/s 164 of the Companies Act and under C(10) of Schedule V of SEBI (LODR) Regulations and letter dated 27.5.2019 giving his consent u/s 152 of the Companies Act, 2013 to be a director on the Board of the Company, if appointed; and iv) Memorandum & Articles of Association of the Company.

The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2019 together with the Reports of the Auditors and the Board, thereon.

The year 2018-19 started on a promising note anticipating a GDP growth of 7.8%, which was subsequently scaled down to 7.4% and finally to 7%, a clear indication of a slowdown. However, this achievement may appear reasonable considering the weak global economic growth signals owing to the slow down in US, Eurozone, UK and Japan. The Economic Performance of major emerging market economies, including China, Russia, Brazil and South Africa were also subdued. Rise in crude oil prices on account of production cut by OPEC and Russia coupled with expected supply disruption owing to US sanction on Iran also adversely affected the world economy. The ongoing trade wars between two large economies viz. USA and China, will worsen the economic conditions further. Being the fifth largest economy in the world, overtaking UK, India is not totally isolated from the fluctuations in the world economy.

On the positive side was the narrowing of the current account deficit, high FDI inflows during the financial year, higher foreign port-folio investments during the last quarter of 2018-19 and marginal improvement in disbursement of credit to large industries. These developments have to some extent, reduced the impact of decline in certain sectors, particularly in mining and quarrying, aviation, financial sector, etc.

Elections are the corner stone of any democracy. Beginning from the latter part of the last quarter of 2018-19, the economic activities became subdued as policy decisions were kept in abeyance. The slowdown in revenues and profits of FMCG companies reinforced by slowing sales of automobile sector are matters to worry. However, pessimism on the Indian economy may be misplaced. A stable Government at the Centre and cohesive Governments in the States are a *sine qua non* for progress of any country. The electorate have once again reposed confidence in a stable Government at the Centre and voted back the incumbent Government with an overwhelming majority. It is hoped that the Government will give special attention to inclusive development, economic growth and job creation. Agriculture is another area, which is crying for special attention and will play an important role in the rural economic growth. The freebies announced by the parties during the course of electioneering and the waiver of farm and other loans particularly by State Governments are likely to adversely impact the economy some what.

Your Company's performance during the year under review was satisfactory despite the continued adversities being faced by the sugar industry on account of mounting inventories, higher cane arrears and lower margins because of overproduction. However, the Central and State Governments stepped in to support the industry by promoting exports, creating buffer stock, fixing minimum selling price of sugar, providing soft loans with interest subvention, etc. These measures ameliorated the difficulties faced by the Industry some what.

Financial Summary

The Company achieved a turnover of Rs.1707 cr. against Rs. 1742 cr. in the previous year. The gross profit at Rs.111.19 cr. against Rs. 87.96 cr. in the previous year is higher by 26.41%. The net profit was Rs.73.58 cr. compared to Rs. 57.56 cr. in the previous year, an increase of 27.83%.

Appropriation and Dividend

The Board of Directors is happy to recommend a dividend of Rs.6.00 (60%) per equity share of Rs.10 for the year ended 31.3.2019. The payout of dividend for the year under review, inclusive of corporate tax on dividend distribution, is Rs.12.58 cr.

An amount of Rs.272.08 cr, which includes Rs.207.7 cr. brought forward from the previous year, reduced by Rs.8.39 cr towards dividend and tax paid during the year 2018-19, is being carried forward as surplus in the statement of Profit & Loss.

Auditors' Report

There are no qualifications, reservation, or adverse remarks or disclaimer in the Auditors' Report to the Members on the Annual Financial Statements for the year ended 31.3.2019.

The Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013.

Secretarial Audit Report

M/s. Chandrasekaran Associates, Company Secretaries, carried out the Secretarial Audit for the year 2018-19 pursuant to Section 204 of the Companies Act, 2013. A copy of their Report in Form MR-3 as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as ***Annexure – 1***. There is no qualification in the Report.

THE STATE OF COMPANY'S AFFAIRS

Sugar

During the year Daurala Sugar Works produced 2.25 Lakh MT of sugar by crushing 19.93 Lakh MT of cane as against 2.29 Lakh MT of sugar by crushing 21.05 Lakh MT in the previous year. Though the cane crush was lower by 5%, sugar production was broadly the same due to better sugar recovery of 11.3% for the year against 10.9% last year. Continued efforts made by the factory to identify and propagate high sucrose cane varieties in close coordination with the farmers has led to positive results over the last few Sugar Seasons.

Supply of power to the grid and sale of Renewable Energy Certificates (RECs) were as planned.

Sugar prices at the start of financial year 2018-19 were ruling around Rs. 3100 per qtl. but fell sharply to below Rs. 2600 per qtl. during April / May, 2018 because of record domestic production of 32.4 Million MT during Sugar Season 2017-18 against domestic consumption of 26 Million MT. This increase of 60% over the last Season also led to storage & liquidity problems and an accumulation of cane dues. The Government announced the following steps to support sugar prices and provide relief to Sugar Industry: -

- Fixed minimum ex-mill price for Sugar at Rs.2900 per qtl. w.e.f. June, 2018, which was subsequently increased to Rs.3100 per qtl. w.e.f. February, 2019.
- Reintroduced release mechanism to regulate domestic sugar supply.
- Created buffer stock of 3 Million MT.
- Mandated export of 5 Million MT under Minimum Indicative Export Quantity (MIEQ) for mills during Sugar Season 2018-19. To off-set the loss against the same following incentives were announced:
    - Cane price incentive of Rs. 13.88 per qtl. of cane crushed, to be paid to cane farmers during Sugar Season 2018-19.
    - Transportation / fobbing subsidy on exports ranging from Rs. 1000 per MT to Rs. 3000 per MT depending on Mill's distance from the nearest Port.
- The Uttar Pradesh Government had announced cane incentive of Rs.4.50 per qtl. of cane crushed during Sugar Season 2017-18.
- State Advised Price of cane was kept unchanged at Rs.315 per qtl. for general variety.

The above steps helped the sugar prices to stabilize above Rs.3100 per qtl., which is still below the cost of production.

Additionally, to facilitate payment of cane dues the Central and the State Governments facilitated some loans on concessional terms.

International white sugar prices, started the year at a low level of around US$ 325 per MT rose to US$ 350 MT in May, 2018 because of drought in some parts of Brazil as well as diversion of cane for ethanol production due to increase in crude oil prices. Thereafter they have stabilized around US$ 340 per MT.

Alcohol operations continue to show improved performance. During financial year 2018-19, alcohol production at 202.6 Lakh BL was the highest in the last ten years, with the successful installation and commissioning of a Multi Pressure Distillation Plant. Currently, our distillery operations have to be stopped / curtailed during monsoon period (July – September) as per Central Pollution Control Board (CPCB) Regulations. We are installing a Concentration & Incineration Plant, which would enable the Plant to operate during the monsoon period after it is commissioned. This is an efficient method of treating distillery effluent and will generate additional power. On successful commissioning of the Incineration Boiler, the effective alcohol production capacity will increase.

Alcohol prices continue to be stable with Oil Marketing Companies (OMCs) announcing better prices for Absolute Alcohol for Season 2018-19. The Unit is making constant efforts to maximize Absolute Alcohol production and most of our alcohol production has been tied-up for supply to OMCs.

Bottling operations continue to show improved performance and the Company has successfully augmented its bottling capacity in two phases by 36% during the year.

The Unit continued to post satisfactory results because of better performance by distillery, although sugar incurred losses because of low sugar prices. To reduce reliance on sugar, constant efforts are being made to enhance power, alcohol and bottling capacities. This has helped in stabilizing the bottom line despite low sugar prices. Continued efforts being made to increase productivity and efficiency to achieve high growth for the benefit of all stakeholders.

Rayon

Shriram Rayons maintained its growth in turnover and export sales, achieving the highest ever export sales for the third consecutive year.

Debottlenecking enabled the Unit to achieve both highest production and higher productivity during the year. The textile conversion and dipping unit capacity utilization was also highest ever during the year.

To meet additional market requirement in coming years, the Unit has initiated implementation of a capacity expansion project.

In spite of increase in prices of various inputs, the Unit improved its operating margins with increase in export realization and favourable exchange rate.

The Unit manufactures Nylon Chafer Fabric which was mainly sold to local tyre companies. The Unit has achieved breakthrough in exporting the product in the last two years. The overall sale was low due to lower off take by the customers on account of lower automobile production.

The Power House upgradation project consisting of one agro-fuel boiler and an extraction cum condensing turbine was operationalized during the year. The project will help in reducing energy cost and also meet additional power and steam requirement for capacity expansion.

A 1 MW Solar Power Plant was installed and operationalized last year. Steps have been initiated to install one more solar power plant of 1 MW.

The Unit received awards for Productivity, Best Employer and Best Workman during the year.

The Unit received commendation and appreciation, for CSR activities and sustainable development, from an international organization - ECOVADIS, (based on International CSR standards, including Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000.)

The effluent and emission control facilities were upgraded and compliance monitored on real time basis.

Chemicals

Overall the prospects for the Chemicals business continue to look stable.

The up-swing in the prospects of chemicals business arising out of pressure on Chinese Companies on environment related matters continued, though this pressure eased somewhat towards year end. Consequently, International prices of our main products improved.

The Company continued its focus on optimizing processes and costs, and exploring possibilities of developing new products through its active R&D efforts. The Company also took steps for increasing capacities of existing products wherever opportunities presented themselves.

Engineering Projects

The Company's exploratory efforts to venture into defense equipment manufacturing is going on. It has received industrial licenses for manufacture of Light Bullet Proof Vehicles, Unmanned Aerial Vehicles, communication equipment, etc. Progressing of these projects will depend on the Company's success in obtaining orders from the armed/ paramilitary forces.

Material changes and commitments

No material changes or commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report, affecting the financial position of the Company.

Subsidiary/ Associate Companies

The Company has a non-material wholly owned subsidiary, Daurala Foods & Beverages Pvt. Ltd., which is not carrying on any operations presently. DCM Hyundai Limited is an associate company. The required information with regard to the performance and financial position of the subsidiary and associate companies are annexed in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.3.2019. There has been no change in relationship of subsidiary/ associate companies during the year.

Annual Return

A copy of Form MGT-9, which is an extract of Annual Return for the year 2018-19, is available at the Company's web link: http://www.dcmsr.com/other_files/YR5/Annual%20Report/mgt9.pdf.

BOARD MEETINGS AND DIRECTORS

Meetings of the Board

During the year 2018-19 five Board meetings were held. The dates of the meetings, attendance, etc., are given in the Corporate Governance Report annexed hereto.

Declaration u/s 149(6) of the Act

All the Independent Directors (IDs) have given declarations u/s 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that they meet the criteria of independence as laid down under the said Section/ Regulation.

The Directors of the Company have also confirmed that they were not disqualified to be appointed as Directors as per Section 164(2) of the Companies Act, 2013 and they have not been debarred by SEBI to hold an office of Director.

Familiarization Programme for Independent Directors

Except Shri Sanjay C. Kirloskar, other Independent Directors of the Company have been on the Board for over 4 years and are fully familiar with its operations. As such no separate familiarization programme was organized during the year. Shri Sanjay C. Kirloskar, who joined the Board on 01.09.2018 will be visiting the Company's Units at Daurala and Kota to familiarize himself with the operations.

The Directors are also kept updated with information on the Company, the industry and developments in different segments in which the Company operates, at the Board meetings while reviewing the operations, quarterly/annual financial results and considering the budgets.

A familiarization programme for IDs laid down by the Board has been posted on the Company's weblink – http://www.dcmsr.com/other_files/Familiarization%20Programme%20for%20Independent%20Directors.pdf

Policy on Board Diversity

The Board of Directors in its meeting held on 30.5.2016 has approved a Policy on Board Diversity, laid down by the Nomination & Remuneration Committee (NRC) as required under the SEBI (LODR) Regulations, 2015. A copy of the same has been posted on the Company's weblink - http://www.dcmsr.com/other_files/Policy-BoardDiversity.pdf

Directors Appointment and Remuneration

Appointment of directors on the Board of the Company is based on the recommendations of the Nomination & Remuneration Committee. NRC identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. NRC also takes into account positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, etc.

In case of Independent Directors they should fulfill the criteria of independence as per the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015 in addition to the general criteria stated above. It is ensured that a person to be appointed as director has not suffered any disqualification under the Act or any other law to hold such an office. There has been no change in the composition of the Board for the last 3 years except induction of Shri Sanjay C. Kirloskar as an Independent Director w.e.f. 01.09.2018.

The directors of the Company are paid remuneration as per the Remuneration Policy of the Company, the gist of which is given under the heading `Remuneration Policy' as part of the Report. The details of remuneration paid to the directors during the year 2018-19 are given in Form MGT-9 annexed hereto and also in the Corporate Governance Report forming part of this Report.

Changes in Directors or KMP

On the recommendation of Nomination and Remuneration Committee of the Board, Shri Sanjay Chandrakant Kirloskar (DIN 00007885) was appointed on the Board as an Independent Director w.e.f. 1.9.2018 for a term of 5 years as per Section 149 of the Companies Act, 2013. His appointment has been approved by the shareholders on 26.12.2018 through Postal Ballot process. He is the Chairman and Managing Director of Kirloskar Brothers Limited.

Shri P.R. Khanna, Shri S.B. Mathur, Shri Ravinder Narain and Shri S.C. Kumar, Independent Directors, whose term ended on 31.3.2019 have been reappointed for further term of 5 years from 1.4.2019. Their reappointments have been approved by the shareholders as required under 149(10) of the Companies Act, 2013 through Postal Ballot process. Your Directors are happy that the Company would continue to have the benefit of their guidance and expertise.

In compliance with the requirement of separation of the office of Chairman and Managing Director under Section 203 of the Companies Act, 2013, the Board of Directors appointed Shri S.B. Mathur, an Independent Director, as the Chairman of the Board w.e.f. 01.10.2018 and designated Shri Tilak Dhar as Sr. Managing Director and Shri Alok B. Shriram as Jt. Managing Director with effect from 01.10.2018.

The Board on the recommendation of the Nomination & Remuneration Committee has decided to recommend to the shareholders at the ensuing Annual General Meeting reappointment of Ms. V. Kavitha Dutt (DIN 00139274), whose current term as Independent Director, expires on 01.02.2020, for a further term of 5 years. A proposal in this regard is being included in the AGM Notice for consideration of the shareholders.

Shri C. Vikas Rao (DIN 06900458), who was appointed as an Independent Director for a term of 5 years from 14.08.2014, has resigned from the Board as Independent Director as he has been nominated by Life Insurance Corporation of India as its Nominee on the Board pursuant to Section 6A of the Life Insurance Corporation Act, 1956. The Board accepted Shri C. Vikas Rao's resignation from the close of 27.05.2019 and co-opted him as an Additional Director pursuant to Section 161 of the Companies Act, 2013 as a Nominee of LIC. Shri C. Vikas Rao will hold office as Additional Director till the ensuing AGM on 13.08.2019. A proposal for his regular appointment as a Nominee Director on the Board is being placed before the shareholders for approval.

There has been no change in the Key Managerial Personnel during the year.

Annual Evaluation of Board and Directors

As required under the Act and the SEBI (LODR) Regulations, 2015 evaluation of the performance of the IDs, Board, Executive Directors, the Chairman and the Committees during the year 2018-19 was carried out by the Board of Directors based on the criteria laid down by the NRC. A copy of the `criteria' is annexed as ***Annexure 2*** hereto.

Based on the criteria, the Board reviewed the performance of the Board, its Committees and individual Directors. It was observed that the Board continued to adhere to the highest standards in all areas evaluated and the performance was constructive and met the test of objectivity in achieving the goals of the Company. The Board appreciated the efforts of the Executive Directors in achieving good results. It was also noted that the Committees carried out their functions keeping in view the requirements mandated under the Companies Act/ SEBI (LODR) Regulations pursuant to which they were constituted, effectively. The Board appreciated that the Independent Directors, individually and collectively functioned constructively to the best interest of and beneficial to the Company and stakeholders. The IDs adhered to the Code of Independence as per Schedule IV of the Act and to the restriction with regard to pecuniary relationship with the Company during the period under evaluation. The Board also noted that Shri Tilak Dhar and Shri S.B. Mathur carried out their functions during their respective tenures as Chairman with utmost responsibility, open mind, decisiveness and transparency.

The IDs in a separate meeting reviewed and evaluated the performance of non-Independent Directors, the Board as a whole, the Board Committees and the performance of the Chairman of the Company taking into account the views of Executive Directors, based on the criteria laid down by the NRC.

The IDs also reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board which are necessary for the Board to effectively and reasonably perform its duties.

The performance evaluation by the Board and the Independent Directors, as in the previous year, did not call for any follow up action.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, your Directors state that:

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

b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

A comprehensive and effective internal financial control system is followed by the Company at all its establishments. This is further strengthened by an internal audit process under the overall supervision of the Audit Committee of the Board. The services for the internal audit are outsourced. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of, inter alia, the internal financial controls.

The Audit Committee lays down the schedule for internal audit. Internal audit reports are placed before the Committee with management comments. Suggestions are implemented and reported to the Audit Committee.

Apart from the above, an effective budgeting and monitoring system is also in place. Budgets are reviewed by Audit Committee and approved by the Board. The operating results are compared and monitored with the approved budgets periodically. An Executive Committee comprising of senior management team meets every month, reviews all aspects of operations and chalks out remedial measures and strategies, wherever necessary.

An effective communication/ reporting system operates between the Units, Divisions and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

Loans, Guarantees and Investments

The particulars of loans given by the Company are given in Note no.16 of the Standalone Financial Statements for the year ended 31.3.2019.

The Company has not made any investment or provided any guarantee covered u/s 186 of the Companies Act, 2013, during the year except surplus funds placed in liquid funds of Mutual funds on short term basis.

Related Party Transactions

There has been no materially significant related party transaction between the Company and the Directors, Key Management Personnel, the subsidiary or the relatives except for those disclosed in the financial statements – Note No.45 of Notes to Accounts, which are at arms length basis and not material. Accordingly, Form AOC -2 does not form part of the Report.

The Board had framed a Policy on Related Party Transactions and placed the same on the Company's weblink: http://www.dcmsr.com/other_files/related%20party%20trx%20policy.pdf.

CSR Activities

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, a report in the prescribed proforma is annexed – **Annexure 3**. The Company has spent Rs.172 lakh on CSR activities during the year as required under the above Section of the Act.

Risk Management

The Board of Directors in its meeting held on 30.01.2006 undertook a comprehensive review of the risk assessment and minimization procedures/ policies followed by the Company at its various operations. While taking note of the same, the Board laid down that a half yearly status report of the risk assessment and steps taken to minimize the risks be placed before the Board. Such a report in respect of all the operations of the company is regularly placed before the Board and suggestions, if any, are implemented.

In view of the diversified business, there are no significant element of risk, which in the opinion of the Board may threaten the existence of the Company.

The Board of Directors while reviewing the existing risk assessment procedures, laid down a Risk Management Policy as required under Regulation 17 of SEBI (LODR) Regulations, 2015.

Public Deposits

Details relating to deposits covered under Chapter V of the Act.

			(Rs./lakh)
i)	Accepted during the year	:	Nil
ii)	Remained unpaid or unclaimed as at the end of the year	:	2.00
iii)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	:	
	a) at the beginning of the year b) maximum during the year c) at the end of the year	}	Nil
iv)	The details of deposits which are not in compliance with the requirement of Chapter V of the Act.	}	Nil

Significant Material Orders Passed by Regulators or Courts or Tribunals

No significant orders have been passed by any Regulators, Courts or Tribunals during the year impacting the going concern status and Company's operations in future.

Extract of the Annual Return

Extract of the Annual Return for the year 2018-19 in Form MGT-9 is annexed – ***Annexure 4***.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The required information as per Rule 8 (3) A, B & C of Companies (Accounts) Rules, 2014 is annexed – ***Annexure 5***.

REMUNERATION POLICY

The Board of Directors in its meeting held on 14.8.2014 had laid down a Remuneration Policy as recommended by the Nomination & Remuneration Committee relating to remuneration of the Directors, Key Managerial Personnel (KMP), Sr. Management Personnel (SMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Act and the Rules made there under. The Remuneration Policy is posted on the Company's weblink http://www.dcmsr.com/other_files/remuneration%20policy.pdf . The salient features of the Policy are given below:

i. Guiding principle

The guiding principle of the Policy is that the remuneration and other terms of employment should effectively help in attracting and retaining committed and competent personnel. The remuneration packages are designed keeping in view industry practices and cost of living.

ii. Directors

Non-executive directors are paid remuneration in the form of sitting fees for attending Board/ Committee meetings as fixed by the Board from time to time subject to statutory provisions. Presently sitting fee is Rs.50,000 per Board meeting and Rs.25,000 per Committee meeting. In addition, Non-executive Directors are to be paid commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors.

Remuneration of Executive Directors (Whole-time Directors) including Managing Director(s) is fixed by the Board of Directors on the recommendation of the NRC, subject to the approval of the shareholders. The NRC, while recommending the remuneration, takes into account pay and employment conditions in the industry, merit and seniority of the person and paying capacity of the Company. The remuneration, which comprises of salary, perquisites, performance based reward/profit based commission and retirement benefits as per Company Rules, is subject to the limits laid down under the Companies Act, 2013.

iii. Key Managerial Personnel and Sr. Management Personnel

Appointment and cessation of service of Key Managerial Personnel are subject to the approval of the NRC and Board of Directors. Remuneration of Key and Sr. Management Personnel is approved by Senior Managing Director on the recommendation of the concerned Executive Director, keeping in view the Remuneration Policy.

iv. Other employees

The remuneration of other employees is fixed from time to time by the Management as per the guiding principle laid down in the Remuneration Policy and considering industry standards and cost of living. In addition to salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

Managerial Remuneration

The information required as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to remuneration of Directors, KMP and comparisons are annexed – ***Annexure 6***. It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

Statement of particulars of the top ten employees in terms of remuneration including employees who were in receipt of remuneration which was not less than Rs.102 lakh or more per annum in aggregate during the year 2018-19 is annexed – ***Annexure 7***.

Audit Committee

The Audit Committee presently comprises of three IDs and one Executive Director. Shri P.R. Khanna is the Chairman and Shri S.B. Mathur, Shri S.C. Kumar, all IDs and Shri K.N. Rao, Director & CEO (Rayons) are Members. There was no instance of the Board not accepting the recommendation of the Audit Committee.

Vigil Mechanism

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, the Board of Directors, on the recommendation of the Audit Committee, adopted a Vigil Mechanism (Whistle Blower Policy). The Policy has been revised by the Board in its meeting held on 27.5.2019 to incorporate the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised Policy is being circulated among the employees and also being put on the weblink of the Company: http://www.dcmsr.com/other_files/whistleblower%20policy.pdf.

The Policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policies. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

Share Capital

During the year, the Company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

The Company has not made any public offer of shares during the year.

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, the shareholders in their meeting held on 22.8.2017 had appointed M/s. B S R & Co., LLP, Chartered Accountants (Firm Registration No.101248W/W100022), Gurugram as statutory auditors for holding office from the conclusion of the said AGM till the conclusion of the AGM to be held in the year 2022 on the recommendation of the Audit Committee and the Board of Directors.

Cost Auditors

M/s Ramanath Iyer & Co., Cost Accountants, (Regn No.13848), 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi – 110034, who were appointed as Cost Auditors of the Company for the year 2017-18, submitted the Cost Audit report, due for filing on or before 11.09.2018, to the Central Government on 22.8.2018. They have been reappointed as Cost Auditors for the year 2019-20. A resolution for ratification of their remuneration for the year 2019-20, as required under the Companies Act, 2013, forms part of the Notice convening the AGM.

The Company maintains Cost records as specified by the Central Govt. under sub- section (1) of section 148 of the Companies Act, 2013.

Corporate Governance

Reports on Corporate Governance and Management Discussion & Analysis are annexed - ***Annexure 8***.

Anti-Sexual Harassment Policy

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees.

The Company periodically review and submit a status report annually to the Competent Authority under Section 22 of the said Act.

Acknowledgment

The Directors acknowledge the continued co-operation and support received from the banks and various government agencies, and all our business associates.

The Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board

(Alok B. Shriram)
DIN: 00203808
Jt. Managing Director

(Tilak Dhar)
DIN: 00204912
Sr. Managing Director

New Delhi,
May 27, 2019

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Annexure - 1

To,
The Members,
DCM Shriram Industries Limited
Kanchenjunga Building,
18, Barakhamba Road, New Delhi -110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCM Shriram Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **DCM Shriram Industries Limited** ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of the Securities and Exchange Board of India(Depositories & Participants)Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable

(vi) The other laws, as informed and certified by the management of the Company, there is no sectorial law specifically applicable to the Company based on their Sectors/ Industry. The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their Sectors/Business are:

1. The Narcotic Drugs and Psychotropic Substances Act, 1985
2. Sugarcane Control Order,1966
3. Sugar Control Order 1966.

We have also examined compliance with the applicable clauses/Regulations of the following:

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a shorter Notice for which necessary approvals obtained) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events / actions took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates
Company Secretaries

Sd/-

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

Date: 24.05.2019
Place: New Delhi

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

Annexure - A

To
The Members
DCM Shriram Industries Limited
Kanchenjunga Building,
18, Barakhamba Road, New Delhi -110001

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

Sd/-

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

Date: 24.05.2019
Place: New Delhi

Annexure - 2

Criteria for Evaluation of Board as a Whole by all Directors

Area of Evaluation	Criteria
a) Structure of the Board	i) Competency of Directors
	ii) Experience of Directors
	iii) Mix of qualifications
	iv) Diversity in Board under various parameters
	v) Appointment to the Board
b) Meetings of the Board	i) Regularity of meetings
	ii) Frequency
	iii) Logistics
	iv) Agenda
	v) Discussions and dissents

	vi) Recording of Minutes
	vii) Dissemination of information
c) Functions of the Board	i) Role and responsibilities of the Board
	ii) Strategy and performance evaluation
	iii) Governance and compliance
	iv) Evaluation of risks
	v) Grievance redressal for investors
	vi) Conflict of interest
	vii) Stakeholder value and responsibilities
	viii) Corporate culture and values
	ix) Review of Board evaluation
	x) Facilitation of Independent Directors
d) Board and Management	i) Evaluation of performance of the management and feedback
	ii) Independence of the management from the Board
	iii) Access of the management to the Board and Board access to the management
	iv) Secretarial support
	v) Fund availability
	vi) Succession plan
e) Professional development:	

Criteria for Evaluation of the Committees of the Board by all Directors

Area of Evaluation	Criteria
a) Mandate and composition	Whether the mandate, composition and working procedures of Committees of the Board of Directors are clearly defined and disclosed.
b) Effectiveness of the Committee	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable.
c) Structure of the Committee and meetings	i. Whether the Committees have been structured properly and regular meetings are being held. ii. Whether in terms of discussions, agenda, etc. of the meetings, similar criteria laid down as specified above for the entire Board.
d) Independence of the Committee from the Board	Whether adequate independence of the Committee is ensured from the Board.
e) Contribution to decisions of the Board	Whether the Committees' recommendations contribute effectively to decisions of the Board.

Criteria for Evaluation of Individual Directors and Chairperson (including IDs and Executive Directors by the Board as a Whole)

Area of Evaluation	Criteria
General	a) Qualifications
	b) Experience
	c) Knowledge and competency
	d) Fulfillment of functions
	e) Ability to function as a team
	f) Initiative
	g) Availability and attendance
	h) Commitment
	i) Contribution
	j) Integrity
Additional criteria for IDs	a) Independence
	b) Independent views and judgement
Additional criteria for Chairperson	a) Effectiveness of leadership and ability to steer the meeting
	b) Impartiality
	c) Commitment
	d) Ability to keep shareholders' interests in mind

Criteria for Evaluation of Individual Directors and Chairperson (excluding Independent directors) by Independent Directors

Area of Evaluation	Criteria
General	a) Qualifications
	b) Experience
	c) Knowledge and competency
	d) Fulfillment of functions
	e) Ability to function as a team
	f) Initiative
	g) Availability and attendance
	h) Commitment
	i) Contribution
	j) Integrity
Additional criteria for Chairperson	a) Effectiveness of leadership and ability to steer the meeting
	b) Impartiality
	c) Commitment
	d) Ability to keep shareholders' interests in mind
Flow of information	Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

ANNEXURE - 3

REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

   Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors on the recommendation of the CSR Committee laid down a CSR Policy.

   The Policy lays down the manner in which CSR activities covered under Schedule VII of the Companies Act, 2013, will be taken up and implemented by the Company. A copy of the Policy is available on Company's weblink http://dcmsr.com/**other files/CSR%20policy.pdf**

2. The CSR Committee comprised of Shri Tilak Dhar, Sr.MD, (Chairman), Shri Alok B. Shriram, JMD (Member) and Shri S.C. Kumar, Independent Director, (Member). The Board in its meeting held on 26.3.2019 nominated Ms. V. Kavitha Dutt, Independent Director, as a Member effective from 01.04.2019.

3. Average net profit of the Company for last three financial years – Rs.85.83 cr.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Rs.1.72 cr.

5. Details of CSR spent during the financial year
   a) Total amount to be spent for the financial year – Rs.1.72 cr
   b) Amount unspent, if any. - Nil
   c) Manner in which the amount spent during the financial year is detailed below:

(Rs./lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the project is covered (Ref. Sch. vii of the Cos. Act, 2013)**	**Projects or programs 1) local area or other 2) Specify the State and District where projects or programs were undertaken**	**Amount outlay (budget) proj-ects or programs wise**	**Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1	Health Care, Sanitation & Poverty alleviation	Health Care (Item No.i)	Daurala, Meerut	61.50	1) 61.50	61.50	Direct
2	Health care	Health Care (Item No.i)	Delhi	7.00	1) 7.00	7.00	Delhi Midtown Rotary & Sree Krishna Medical & Research Centre
3	Poverty Alleviation	Alleviation of poverty (Item i)	Delhi/ Kerala	15.60	1) 15.60	15.60	My Home India & Indian Naval Benevolent Association
4	Support to education of women/old age/Spl. able children/library/	Promoting education (Item No.ii)	Kota, Rajasthan/ Daurala, UP/ Gurugram	26.21	1) 26.21	26.21	Direct/ iimpact, Gurugram
5	Support to old age persons	Promoting facilities for Sr. citizens (Item No.iii)	Kota, Rajasthan	3.58	1) 3.58	3.58	Direct

(Rs./lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6	Environment sustainability	Envronment Protection (Item no.iv)	Daurala, Meerut/ Kota, Rajasthan/ Delhi	9.30	1) 9.30	9.30	Direct
7	Urdu Promotion/ Rural art / National Heritage	Promotion of Urdu language/ Rural art (Item No.v)	Delhi / Kota	22.81	1) 22.81	22.81	Direct
8	Promotion of sports	Promotion of sports (Item No.vii)	Noida, UP/ Kota / Delhi	4.19	1) 4.19	4.19	Direct
9	Prime Ministers National Relief Fund	PM National Relief Fund (Item No.viii)	Delhi	0.30	1) 0.30	0.30	Direct
10	Rural Develop. projects	Rural Dev. (item no. x)	Daurala / Kundanpur Village, Kota	9.99	1) 9.99	9.99	Direct
11	Contribution to the corpus of a society for carrying out CSR activities exclusively.	Sub-para viii of MCA Circular dated 18.6.2014.	Delhi	5.00	1) 5.00	5.00	Implementing Agency.
12	Salary & capacity building of staff	Overheads (Rule 4(6) of Companies (CSR Policy) Rules, 2014	Delhi	6.52	2) 6.52	6.52	
	TOTAL			**172.00**	**172.00**	**172.00**	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

   Not applicable.

7. It is confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Sd/-	**Sd/-**
Alok B. Shriram	**Tilak Dhar**
Member,CSR Committee	**Chairman, CSR Committee**
(DIN 00203808)	**(DIN 00204912)**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2019

Annexure - 4

Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L74899DL1989PLC035140

ii) Registration Date: 21.02.1989

iii) Name of the Company: DCM SHRIRAM INDUSTRIES LTD.

iv) Category/ Sub-Category of the Company: Manufacturing

v) Address of the Registered Office and contact details:
Kanchenjunga Building, 6th Floor, 18 Barakhama Road,
New Delhi – 110 001.
Tel.No. 011-23759300 Fax No. 011-23350765
Email- dsil@dcmsr.com Website: https://www.dcmsr.com

vi) Whether listed Company: Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Karvy Fintech Pvt. Ltd.

1) Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad–500032
Tel.no. 040 - 67161500 Toll free no.18003454001
email - einward.ris@karvy.com

2) New Delhi House, 305, 3rd Floor, Barakhamba Road,
New Delhi – 110001
Tel.no. 011 - 43681700 email - delhi@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Sugar*	1072	56.28
2	Industrial Fibres and related products	1399 /13999	23.56
3	Chemicals	2011/ 20119	20.15

* Comprising of sugar, power and alcohol

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/ GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Daurala Foods & Beverages Pvt. Ltd. 6th Floor, Kanchenjunga Bldg., 18 Barakhamba Road, New Delhi -110001	U74899DL1994PTC062686	Subsidiary	100	2(87) and 129(3)
2	DCM Hyundai Ltd. 5th Floor, `Akash Deep', 26-A, Barakhamba Road, New Delhi - 110001	U93090DL1995PLC273604	Associate	49.28 * 11.70 **	2(6) and 129(3)

* of equity capital ** of equity and preference capital

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				%age change during the year
	Demat	Physical	Total	%age of Total shares	Demat	Physical	Total	%age of total shares	
A. Promoters									
1) Indian									
a) Individual/HUF	140900	0	140900	0.81	140900	0	140900	0.81	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	7604583	0	7604583	43.71	7944549	0	7944549	45.66	1.95
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
SubTotal (A)(1)	**7745483**	**0**	**7745483**	**44.52**	**8085449**	**0**	**8085449**	**46.47**	**1.95**
2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp..	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total share-holding of promoter (A)= (A)(1)+(A)(2)	**7745483**	**0**	**7745483**	**44.52**	**8085449**	**0**	**8085449**	**46.47**	**1.95**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	101	50	151	0	101	50	151	0	0
b) Banks/FI	1850	1125	2975	0.02	1867	1615	3482	0.02	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt	0	0	0	0	0	0	0	0	0
e) Venture capital funds	0	0	0	0	0	0	0	0	0
f) Insurance companies	1240679	0	1240679	7.13	1240679	0	1240679	7.13	0
g) FIIs	15472	0	15472	0.09	0	0	0	0	-0.09
h) Foreign venture capital funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**1258102**	**1175**	**1259277**	**7.24**	**1242647**	**1665**	**1244312**	**7.15**	**-0.09**
2) Non-institutions									
a) Bodies corp.									
i) Indian	4899862	9312	4909174	28.22	4009184	7814	4016998	23.09	-5.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1lakh	1909854	571468	2481322	14.26	1925474	512334	2437808	14.01	-0.25
ii) Individual shareholders holding nominal share capital excess of Rs.1 lakh	420534	0	420534	2.42	1105011	0	1105011	6.35	3.93
c) Others									
- Clearing members	14147	0	14147	0.08	2752	0	2752	0.02	-0.07
- IEPF	406365	0	406365	2.34	406365	0	406365	2.34	0
- Pakstani nationals	43113	0	43113	0.25	0	0	0	0	-0.25
- NRIs	101522	16108	117630	0.68	82876	15163	98039	0.56	-0.12
- Trusts	1392	0	1392	0.01	1703	0	1703	0.01	0
Sub-total(B)(2)	**7796789**	**596888**	**8393677**	**48.24**	**7533365**	**535311**	**8068676**	**46.38**	**-1.87**
Total Public shareholding (B)=(B)(1)+(B)(2)	**9054891**	**598063**	**9652954**	**55.48**	**8776012**	**536976**	**9312988**	**53.53**	**-1.95**
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**16800374**	**598063**	**17398437**	**100**	**16861461**	**536976**	**17398437**	**100**	**0**

Annexure - 4 (contd.)

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		Number of shares	% of total shares of the Company	%of shares pledged / encumbered to total shares	Number of shares	% of total shares of the Company	%of shares pledged / encumbered to total shares	% change in shareholding during the year
1	Versa Trading Ltd.	2224725	12.79	0	2224725	12.79	0	0
2	Bantam Enterprises Pvt. Ltd.	1345320	7.73	0	1356968	7.80	0	0.07
3	Lily Commercial Pvt. Ltd.	1044323	6.00	0	1150323	6.61	0	0.61
4	Divine Investments Pvt. Ltd.	682493	3.92	0	682493	3.92	0	0
5	H.R. Travels P.Ltd.	575580	3.31	0	642580	3.69	0	0.38
6	HI-VAC Wares Pvt. Ltd.	715704	4.11	0	793257	4.56	0	0.45
7	Quick Litho-graphers Pvt. Ltd.	405280	2.33	0	450434	2.59	0	0.26
8	Peekay Alkalies Pvt. Ltd.	258419	1.49	0	258419	1.49	0	0
9	Super Wares Pvt. Ltd.	166723	0.96	0	181473	1.04	0	0.08
10	Gentech Chemicals P. Ltd.	148506	0.85	0	166367	0.96	0	0.11
11	Tilak Dhar-Karta (L.Bansi Dhar & Sons- HUF)	53916	0.31	0	53916	0.31	0	0
12	Suman Bansi Dhar	56812	0.33	0	56812	0.33	0	0
13	Alok B. Shriram	8536	0.05	0	8536	0.05	0	0
14	Meridian Marketing P. Ltd.	33337	0.19	0	33337	0.19	0	0
15	Divya Shriram	87	0	0	87	0	0	0
16	Urvashi Tilak Dhar	521	0	0	521	0	0	0
17	Karuna Shriram	4346	0.02	0	4346	0.02	0	0
18	Madhav B. Shriram	66	0	0	66	0	0	0
19	Tilak Dhar	11816	0.07	0	11816	0.07	0	0
20	DCM Hyundai Ltd.	4173	0.02	0	4173	0.02	0	0
21	Aditi Dhar	100	0	0	100	0	0	0
22	Akshay Dhar	100	0	0	100	0	0	0
23	Kanika Shriram	4500	0.03	0	4500	0.03	0	0
24	Rudra Shriram	100	0	0	100	0	0	0
	TOTAL	**7745483**	**44.52**	**0**	**8085449**	**46.47**	**0**	**1.95**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholdingduring the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	7745483	**44.52**		
Date-wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / Transfer/ Bonus / Sweat / equity, etc)				
6.7.2018	249000	1.43	7994483	45.95
13.7.2018	13201	0.07	8007684	46.02
24.8.2018	6554	0.04	8014238	46.06
31.8.2018	52597	0.30	8066835	46.36
19.10.2018	1000	0.01	8067835	46.37
15.2.2019	17114	1.00	8084949	46.47
22.2.2019	500	0	8085449	46.47
At the end of the year (31.3.2019)			8085449	46.47

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2019

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
	At the beginning of the year				
1	HB Portfolio Ltd.	3317170	19.07		
2	LIC	1240679	7.13		
3	Minal Bharat Patel	0	0		
4	Pearey Lall & Sons (EP) Ltd.	418478	2.41		
5	Finquest Financial Solutions Pvt. Ltd.	0	0		
6	Puran Associates Pvt. Ltd.	210581	1.21		
7	Seetha Kumari	106284	0.61		
8	Ruchit Bharat Patel	0	0		
9	Rangappa N.	75000	0.43		
10	Hardik B. Patel	0	0		
Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc)					
10.8.18	HB Portfolio Ltd. (transfer)	-2211		3314959	
17.8.18		-96165		3218794	
24.8.18		-34319		3184475	
31.8.18		-4066		3180409	
7.9.18		-105757		3074652	
14.9.18		-46511		3028141	
21.9.18		-39968		2988173	
27.4.18	Minal Bharat Patel (transfer)	16888		16888	
11.5.18		3650		20538	
1.6.18		3289		23827	
8.6.18		585		24412	
15.6.18		451302		475714	
22.6.18		3093		478807	
29.6.18		600		479407	
17.8.18		38947		518354	
28.9.18		764		519118	
8.2.19	Pearey Lall & Sons (EP)Ltd (transfer)	-18478		400000	
17.08.18	Finquest Financial solutions Pvt. Ltd. (transfer)	35000		35000	
7.9.18		90000		125000	
5.10.18		10000		135000	
12.10.18		1991		136991	
19.10.18		11066		148057	
2.11.18		7625		155682	
9.11.18		9061		164743	
30.11.18		157		164900	
7.12.18		1000		165900	
14.12.18		468		166368	
28.12.18		3121		169489	
4.1.19		3660		173149	
11.1.19		1089		174238	
18.1.19		1880		176118	
25.1.19		5595		181713	
8.2.19		3000		184713	
15.2.19		1423		186136	
1.3.19		12510		198646	
15.3.19		398		199044	
22.3.19		1943		200987	
29.3.19		11131		212118	

Annexure - 4 (contd.)

	For Each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
31.8.18	Seetha Kumari (transfer)	2172		108456	
9.11.18		201		108657	
23.11.18		1268		109925	
21.12.18		1163		111088	
28.12.18		893		111981	
11.1.19		396		112377	
18.1.19		7159		119536	
17.8.18	Ruchit Bharat Patel (transfer)	3917		3917	
24.8.18		41644		45561	
31.8.18		4187		49748	
7.9.18		25667		75415	
14.9.18		950		76365	
5.10.18		4500		80865	
27.4.18	Rangappa N (transfer)	1500		76500	
11.05.18		300		76800	
18.5.18		700		77500	
1.6.18		200		77700	
8.6.18		300		78000	
15.6.18		600		78600	
29.6.18		600		79200	
06.7.18		800		80000	
13.7.18		-800		79200	
3.8.18		800		80000	
17.8.18		-1000		79000	
07.9.18		-600		78400	
5.10.18		800		79200	
26.10.18		600		79800	
9.11.18		800		80600	
16.11.18		400		81000	
23.11.18		200		81200	
30.11.18		1000		82200	
11.01.19		-200		82000	
25.1.19		200		82200	
01.2.19		600		82800	
8.2.19		300		83100	
15.2.19		530		83630	
22.2.19		170		83800	
1.3.19		100		83900	
8.3.19		200		84100	
15.3.19		1100		85200	
22.3.19		100		85300	
29.3.19		200		85500	
24.8.18	Hardik B. Patel (transfer)	260		260	
31.8.18		5000		5260	
14.9.18		29517		34777	
19.10.18		4965		39742	
At the end of the year (or on the date of separation, if separated during the year).					
31.3.19	HB Portfolio Ltd.			2988173	17.17
31.3.19	LIC			1240679	7.13
31.3.19	Minal Bharat Patel			519118	2.98
31.3.19	Pearey Lall & Sons (EP)Ltd.			400000	2.30
31.3.19	Finquest Financial Solutions Pvt. Ltd.			212118	1.22
31.3.19	Puran Associates Pvt. Ltd.			210851	1.21
31.3.19	Seetha Kumari			119536	0.69
31.3.19	Ruchit Bharat Patel			80865	0.46
31.3.19	Rangappa N.			85500	0.49
31.3.19	Hardik B. Patel			39742	0.23

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	%age of total shares of the company	No. of shares	%age of total shares of the company
	At the beginning of the year				
1	Sh. Tilak Dhar	11816	0.070	11816	0.070
2	Sh. Alok B. Shriram	8536	0.050	8536	0.050
3	Sh. Madhav B. Shriram	66	0	66	0
4	Sh. K.N. Rao	130	0	0	0
5	Sh. P.R. Khanna	960	0.006	960	0.006
6	Sh. Ravinder Narain	570	0.003	570	0.003
7	Ms. V. Kavitha Dutt	500	0.003	500	0.003
8	Sh. S.B. Mathur	0		0	
9	Sh. C. Vikas Rao	0		0	
10	Sh. S.C. Kumar	0		0	
11	Sh. N.K. Jain - KMP	1		1	
12	Sh. Y.D. Gupta - KMP	0		0	
	Date wise increase/ decrease in share-holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	N.A.	N.A.	N.A.	N.A.

V. INDEBTEDNESS

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

(Rs./lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	41137.92	150.00	655.49	41943.41
ii) Interest due but not paid	–	–	–	–
iii) interest accrued but not due	34.25	2.83	90.52	127.60
Total (i+ii+iii)	41172.17	152.83	746.01	42071.01
Change in Indebtedness during the financial year (net)				
• Addition	4882.02	–	–	4882.02
• Reduction	–	152.83	125.86	278.69
Net change	**4882.02**	**(152.83)**	**(125.86)**	**4603.33**
Indebtedness at the end of the financial year				
I) Principal amount	46030.92	–	557.63	46588.55
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	23.27	–	62.52	85.79
Total (i + ii +iii)	**46054.19**	**–**	**620.15**	**46674.34**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs./lakh)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary	Tilak Dhar Sr. MD	Alok B. Shriram JMD	Madhav B. Shriram DMD	K.N. Rao Dir. & CEO (Rayons)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	54.30	53.10	51.60	27.06	186.06
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	17.47	12.50	11.81	3.82	45.60
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	28.98	28.32	27.48	15.01	99.79
2	Stock Option	–	–	–	–	–
3	Sweat equity	–	–	–	–	–
4	Commission: - As % of profit - others, specify (Reward)	186.55	193.64	196.80	 11.43	576.99 11.43
5	Others, please specify					
	Total (A)	287.30	287.56	287.69	57.32	919.87
	Ceiling as per Act	Rs.**988** lakh (being 10% of the Net profit of the Company calculated as per Section 198 of the Companies Act, 2013).				

Annexure - 4 (contd.)

B. Remuneration to other directors:

(Rs./lakh)

S.No.	Particulars of Remuneration	Name of Directors							Total Amount
1	Independent directors	P.R. Khanna	S.B. Mathur	Ravinder Narain	S.C. Kumar	C. Vikas Rao	V. Kavitha Dutt	Sanjay C. Kirloskar	
	• Fee for attending Board & Committee meetings	6.50	6.25	3.75	5.25	2.75	2.25	1.75	28.50
	• Commission	17.05	17.05	14.95	17.05	12.85	12.85	6.96	98.76
	• Others, Please specify	–	–	–	–	–	–	–	–
	Total (1)	23.55	23.30	18.70	22.30	15.60	15.10	8.71	127.27
2	Other Non-Executive Directors	–	–	–	–	–	–	–	–
	• Fee for attending Board Committee meetings								
	• Commission								
	• Others, Please specify								
	Total (2)								
	Total (B)-(1+2)	23.55	23.30	18.70	22.30	15.60	15.10	8.71	127.27
	Total Managerial remuneration								1058.56
	Overall Ceiling as per the Act	Rs.1086.25 lakh (being 11% of Net Profit of the Company calculated as per Section 198 of the Cos Act, 2013, sitting fee not to be included for the limit.)							

C. Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager

(Rs./lakh)

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	16.55	21.04	37.59
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	4.18	9.63	13.81
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	–	2.16	2.16
2	Stock Option	–	–	–
3	Sweat equity	–	–	–
4	Commission: - As % of profit - Others, specify	–	–	–
5	Others, please specify	–	–	–
	Total	20.73	32.83	53.56

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishments / compounding of offences for breach of any Section of the Companies Act, against the Company or its Directors or other officers in default during the year.

Annexure - 5

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

Information as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken and impact on conservation of energy :

- Installation of efficient 90 TPH high pressure boiler replacing two inefficient low pressures boilers along with Bagasse Drier.
- Multi Pressure Distillation Plant installed replacing old distillation plant. The new plant is much more energy efficient and effluent generation has reduced by around 25%.
- Installation of VFD drives on bagasse feeder, fans & belt in place of dynodrives.
- Phased replacement of fluorescent tube lights & street lights with LED lights.
- Reduction in lubricating oil consumption by using anti friction bearing in place of gun metal bush bearing at mill transmission.
- Replacement of inefficient gear pumps with screw pumps.
- Conversion of existing multi fuel boiler (20% Husk and balance Coal) to enhance consumption of agro fuel (100% Husk).
- Installation of a new 5.2 MW extraction cum condensing Turbine Generator set.
- Replacement of old vacuum pumps with energy efficient pumps.
- Installation of Capacitors to improve Power Factor.
- Water consumption reduction / recycling / re-use projects.
- Replacement of column packing to reduce energy consumption.
- Installation of High Efficiency Air Screw Compressor.
- Process equipment optimization.
- Minimising leakages and pressure drops.
- Installation of Vapour absorption machine.
- Replacement of shell and tube condensor with high efficient plate heat exchanger.
- Optimizing of evaporator sizing of brine unit thereby reducing specific power consumption.

ii) Steps taken by the Company for utilising alternate sources of energy :

- Utilisation of agro waste as boiler fuel.
- Utilization of Bio-gas generated through Bio-methanation process for treatment of effluent.
- The Company’s Daurala Complex utilizes only clean renewable energy based on agro fuels and bio gas for co-generation of steam and power and supplies the surplus green power generated to the grid.
- Company is supplying more than 50% of its Alcohol production (in the form of Absolute Alcohol) to oil marketing companies for admixing with petroleum based-fuels.
- Converting of Sugar factory and distillery wastes into bio-compost, replacing petroleum based fertilizer.
- Awarded contract for second 1 MW Solar Power Plant (BOOT Basis).

iii) Capital investment on energy conservation equipments : Rs. 42.83 Cr.

B. TECHNOLOGY ABSORPTION :.

i) Efforts made towards technology absorption :

- Installation of a high speed automation weighing and bagging machine.
- Installation of an efficient Triton aerator at sugar effluent Treatment Plant in place of surface aerator.
- Replacement of four speed centrifugal machine with auto cyclic batch type machine to reduce power consumption and manpower.
- Installation of condensate polishing unit for water treatment and its utilizing.
- Commissioned state of the art 5.2 MW extraction cum condensing Turbine Generator set.
- Increase in speed of spinning machines to improve productivity.
- Replacement of lead with the engineering plastic (FRVE) for corrosive liquid service.
- Replaced Air motors with flame proof electric motors.
- Online dipped fabric width measurement system installed.
- Installation of RO system for Power House to recycle waste water .
- Load cell installed at Dipping Unit Batch-up Accumulator outlet for measurement of fabric tension.
- Upgradation of Electrostatic Precipitators (ESPs) on Boilers.
- Existing low Voltage motors on Looms replaced with high voltage motors & VFD.
- Change in process for HCl generation to reduce waste.
- Improvement in processes.
- An Agreement has been signed with an overseas party to provide Two Prototype Vehicles. The Armoured Body Design and Technology involved in the manufacture of Light Bullet Proof Vehicles for the CRPF is being obtained from an Overseas Party. They have completed work on the Two Prototype Vehicles and both the vehicles have been despatched to India. We expect to make first samples in India soon.

- We are also in the process of obtaining the technology for Unmanned Aerial Vehicles (UAV).
- We are also seeking technology for making Night Vision Devices from an established party

ii) Benefits derived like product improvement, cost reduction, product development or import substitution :

- Improved fermentation efficiency, Quality improvement, optimization of steam & power consumption, reduction in carbon footprint, lower costs and downtime, reduction in consumption in water & coal, reduction in liquid effluent, a cleaner and safer environment, lower waste generation at source, safe working, increased boiler throughput, time saving, and power factor improvement.
- Reduction in consumption of depletable natural resources.
- Reduction in weight variation, job simplification and productivity.
- Improvement in quality of treated effluent.
- Reduction in water extraction & consumption.
- Anhydrous Alcohol supplied to oil companies for admixing with petrol resulting in use of clean green fuel replacing fossil fuel and saving foreign currency.
- Production of high quality anhydrous alcohol to meet standard of Pharma and Oil Marketing Companies.
- Reduction in HCL usage.
- Technology acquired for world class design for Armoured Body for Light Bullet Proof Vehicles, to design a range of Bullet Proof Vehicles.

iii) Particulars of technologies imported during last three years

- Technology and Design for manufacturing Light Bullet Proof Vehicles (LBPVs).

iv) Expenditure incurred on Research and Development : Rs. 5.52 cr.

C. FOREIGN EXCHANGE EARNINGS & OUTGO 2018-2019 :

- Total Foreign exchange earned Rs. 449.26 cr. and used Rs. 210.15 cr.

Annexure - 6

Information as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median of the employees of the Company for the financial year 2018-19 :

- Shri Tilak Dhar, Sr. MD	- 118 : 1
- Shri Alok B. Shriram, JMD	- 118 : 1
- Shri Madhav B. Shriram, DMD	- 118 : 1
- Shri K.N. Rao, Director & CEO (Rayons)	- 25 : 1
- Shri P.R. Khanna, Ind. Director	- 9 : 1
- Shri S.B. Mathur, Ind. Director	- 9 : 1
- Shri Ravinder Narain, Ind. Director	- 7 : 1
- Shir S.C. Kumar, Ind. Director	- 9 : 1
- Shri C. Vikas Rao, Ind. Director	- 6 : 1
- Ms. V. Kavitha Dutt, Ind. Director	- 6 : 1
- Shri Sanjay C. Kirloskar, Ind. Director (Part of the year)	- 3 : 1

2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2018-19:

- Shri Tilak Dhar, Sr. MD	- 30.00
- Shri Alok B. Shriram, JMD	- 30.15
- Shri Madhav B. Shriram, DMD	- 30.15
- Shri K.N. Rao, Director & CEO (Rayons)	- 18.00
- Shri P.R. Khanna, Ind. Director	- 16.23
- Shri S.B. Mathur, Ind. Director	- 21.79
- Shri Ravinder Narain, Ind. Director	- 24.66
- Shir S.C. Kumar, Ind. Director	- 18.86
- Shri C. Vikas Rao, Ind. Director	- 20.18
- Ms. V. Kavitha Dutt, Ind. Director	- 18.61
- Shri Sanjay C. Kirloskar, Ind. Director	- N.A.
- Shri N.K. Jain, CFO	- 6.15
- Shri Y.D. Gupta, Company Secretary	- 7.08

3. Percentage increase in the remuneration of median employee in the financial year - 8.90
4. Number of permanent employees on the rolls of the Company: 2471
5. Average increase in remuneration of employees other than managerial personnel during the year 2018-19 was 6.77%, whereas the average managerial remuneration was increased by 17.46%. Three of the managerial personnel are entitled to commission on profits, as may be decided by the Board within the limit laid down by the shareholders, apart from salary and perquisites. The Company's profits for the year was substantially higher than the previous year and as such the remuneration of the managerial personnel was also increased comparing to last year.

Annexure - 7

Statement of Particulars under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Report of Directors for the year ended March 31, 2019.

(A) Name of top ten employees and the name of every employee who if employed throughout the year under review and were in receipt of remuneration for the year in aggregate of not less than Rs. 1,02,00,000/-.

Name	Designation and Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Years)	Date of Commencement	Age (Years)	Particulars of Last Employment
Tilak Dhar	Sr. Managing Director	29620000	B.Com (Hons), CA (Inter), MBA	39	08.09.80	63	Manager, DCM Ltd.
Alok B. Shriram	Jt. Managing Director	29620000	B.Com. (Hons.)	39	01.01.90	58	Dy. General Manager, Shriram Honda Power Equipment Ltd.
Madhav B. Shriram	Dy. Managing Director	29620000	B.Com. (Hons.), MBA	31	22.05.90	54	Executive Trainee, Nissho Iwai Corporation
Narayan Rao Karanam	Whole Time Director	6192687	B.Sc Engg. (Mech.)	45	29.07.1991	69	Shriram Refrigration Industries Ltd.
Anil Gujral	CEO (Chemicals)	5883944	B.E(Hons.)	52	01.04.1992	73	Daurala Organics
Gyanendra Kumar	Advisor to Sr. MD	5105785	Post Graduate Engineer from IIT	54	12.11.1965	77	DCM Limited
Abraham Thomas	COO (Sud & Alcohol)	4262520	B.Com	51	02.04.1990	72	ALSA Group, Chennai
Vinod Kumar Jaitley	Sr. Vice President & Factory Head (SR)	3888514	LLB, Diploma in Business Admn.	44	01.02.1993	64	UPTRON Limited
P.V. Bakre	Group Sr. Vice President, (DSW)	3861419	B.Sc., LLB	48	27.11.2000	73	Daurala Organics Ltd.
Girish Yajnik	Sr. Vice President, (DO)	3740598	M.Sc, Organic Chemistry	34	16.03.1991	56	Indian Maize & Chemicals Ltd.

Mr. Alok B. Shriram and Mr. Madhav B. Shriram are related to Mr. Tilak Dhar.

(B) Employed for part of the year under review and were in receipt of remuneration for part of the year in aggregate of not less than Rs. 8,50,000/- per month. - NIL

Annexure - 8

CORPORATE GOVERNANCE REPORT

Corporate Governance Philosophy

Corporate Governance and compliance are two sides of the same coin. Governance is the management approach used to control and direct a company's operations. Compliance is the process of conforming to specific requirements of laws, regulations, contracts, strategies and policies, in achieving an organization's objectives in a transparent manner. The Company's Corporate Governance (CG) Policy is based on the above principles. The Company firmly believes and adheres to the need for those in control of the Company to distinguish between personal and corporate interests while managing the Company. For the Company, adherence to Corporate Governance stems not merely from the letter of law but also from the inherent belief in doing fair business the right way.

The Company's CG philosophy in a nutshell encompasses five areas viz. Rights and equitable treatment of shareholders, Interests of other stakeholders, Role and responsibility of the Board, Integrity & ethical behavior and disclosure & transparency. The Company ensures full compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

The CG Report in respect of the year ended 31.3.2019 is given below:

Board of Directors

The Company's Board comprises of an ideal combination of executive and non-executive directors, headed by the Chairman of the Board. Of the 11 directors, 4 are executive directors. Three executive directors represent the promoters. All the non-executive directors are independent directors and are persons of eminence with experience in the fields of finance, law, trade or industry. The Board's composition is in consonance with the CG requirements under Regulation 17 of the LODR Regulations and Section 149(4) of the Companies Act, 2013.

Board Meetings, attendance and other directorships

During the year five Board meetings were held on 29.05.2018, 11.08.2018, 27.10.2018, 02.02.2019 and 26.03.2019. Attendance and other details are given below:

Sl. No	Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Other Directorships*	No. of Committee Memberships ** (other companies)	
							Member	Chairman
1	Shri S.B. Mathur	00013239	Chairman (Non-executive Independent)	5	Yes	3	4	4
2	Shri Tilak Dhar	00204912	Sr. MD (Promoter)	4	Yes	1	Nil	Nil
3	Shri Alok B. Shriram	00203808	Jt. MD (Promoter)	5	Yes	Nil	Nil	Nil
4	Shri Madhav B Shriram	00203521	DMD (Promoter)	4	Yes	Nil	Nil	Nil
5	Shri K.N. Rao	06730043	Director & CEO (Rayons)	4	Yes	NIL	Nil	Nil
6	Shri P.R. Khanna	00048800	Non-executive/ Independent	5	Yes	1	2	1
7	Shri Ravinder Narain	00059197	“	5	Yes	1	1	Nil
8	Shri S.C. Kumar	00064453	“	5	Yes	Nil	Nil	Nil
9.	Shri C. Vikas Rao	06900458	“	5	Yes	Nil	Nil	Nil
10	Ms. V. Kavitha Dutt	00139274	“	4	Yes	2	2	Nil
11	Shri Sanjay Chandrakant Kirloskar (joined w.e.f. 1.9.2018)	00007885	“	3	N.A.	2	1	1

* Exclude directorships in private limited companies/foreign companies/ companies registered u/s 8 of the Companies Act, 2013.

** Audit and Stakeholders' Relationship Committees.

Shri Alok B. Shriram and Shri Madhav B. Shriram are related to Shri Tilak Dhar, Sr. MD.

The Independent Directors had a separate meeting pursuant to Schedule IV of the Companies Act, 2013. In the said meeting the Independent Directors, inter alia, evaluated the performance of Executive Directors (non-independent directors), Chairman, the Board as a whole and the Committees.

Number of shares and Convertible Instruments held by Non-executive Directors in the Company are as under:

	Name of Non-executive Director	Number of shares held (equity shares of Rs.10 each)
1	Shri P.R. Khanna	960
2	Shri Ravinder Narain	570
3	Ms. V. Kavitha Dutt	500
4	Shri S.B. Mathur	–
5	Shri S.C. Kumar	–
6	Shri C. Vikas Rao	–
7	Shri Sanjay C. Kirloskar	–

Familiarization programme for independent directors

As, except Shri Sanjay C. Kirloskar all other independent directors have been on the Board of the Company for over 4 years, they are fully familiar with the operations of the Company. Shri Sanjay C. Kirloskar would visit the Company's operations at an opportune time to familiarize himself with the operations. The Board of Directors had laid down a familiarization programme for independent directors, copy of which is placed on the Company's weblink http://www.dcmsr.com/other_files/Familiarization%20Programme%20for%20Independent%20Directors.pdf.

Skills, expertise and competence of Directors

Name of Director	Skills, expertise and competence
Shri S.B. Mathur	A Chartered Accountant specialized in the field of Finance and Insurance. Long experience with Life Insurance Corporation of India and retired as its Chairman. Was the Administrator of the specified undertaking of the Unit Trust of India. Is a member on the Board of several reputed companies including ITC.
Shri Tilak Dhar	An MBA, held various management positions in DCM Ltd., DCM Shriram Industries Limited and was Managing Director of Daurala Organics Ltd. Have special interest and expertise in sugar & chemical industry. As CMD and subsequently Sr. Managing Director steered the Company, out of difficult situations many a times, particularly faced by sugar industry, to new heights.
Shri Alok B. Shriram	Has been holding various managerial positions in the Company. Was the Chairman & Managing Director of DCM Hyundai Ltd., a joint venture company engaged in the manufacture of Marine Freight Containers. Is heading the Rayon operations and turned around its operations. Achieved highest ever export of Rayon products during his tenure. Is associated with and active in Trade & Industry Associations.
Shri Madhav B. Shriram	Has been holding various managerial positions in the Company and its subsidiary during the over 3 decades of service. An MBA with special interest in Chemical business. Is associated with Industry and Trade associations like CII.
Shri K.N. Rao	A Mechanical Engineering Graduate with over 45 years experience. Hold Diploma in Material Management. Special skills in export marketing, man and material management.
Shri P.R. Khanna	A Fellow of Institute of Chartered Accounts of India with long experience in Audit and Financial Analysis and Control. Was a Director on the Board of SBI and UTI.
Shri S.C. Kumar	A Cost & Works Accountant with long experience in financial sector. His experience at various senior management positions with IFCI Limited, particularly exposure in sugar industry benefit the Company greatly.
Shri Ravinder Narain	An eminent lawyer practicing in Supreme Court and High Court with special skill in different branches of law.
Shri C. Vikas Rao	An MBA with long experience in Insurance sector. Held various senior positions in the Life Insurance Corporation of India. Presently, Zonal Manager, Western Zone with 23 Divisions under him. His experience in matters of Insurance, Fund Management and Finance benefit the Company.
Ms. V. Kavitha Dutt	A Graduate from CEDAR Crest College, Allentown, Penn, in Business Management with specialization in International business. Is the JMD of the KCP Limited. Has special interest human resources development, promotion of social, cultural educational activities. Is associated with management and cultural associations including ladies wing of FICCI.
Shri Sanjay C. Kirloskar	An industrialist of repute. He is B.Sc., Mechanical Engineering from the Illinois Institute of Technology, Chicago. Is the Chairman & Managing Director of Kirloskar Brothers Ltd., one of the leading pump manufacturing companies in the world. His long and varied management expertise will benefit the Company. He is a Member of CII, Western Region and is associated with various technical institutions.

Independent Directors

The Board confirm that in its opinion the Independent Directors fulfil the conditions specified in Section 149 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and they are independent of the management.

None of the Independent Directors resigned before their tenure in the Company during the year under report.

Audit Committee

Terms of reference

The composition, terms of reference and role of the Audit Committee are as per requirements of Regulation 18 of LODR Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be laid down by the Board of Directors, from time to time.

The Audit Committee, inter alia, ensures that an effective internal financial control system is in place. During the year 4 meetings of the Audit Committee were held on 29.05.2018, 11.08.2018, 27.10.2018 and 02.02.2019.

The Audit Committee comprised of three non-executive independent directors and one executive director. The Company Secretary is the Secretary of this Committee. The attendance at these meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Shri P.R. Khanna	Chairman	4
Shri S.B. Mathur	Member	4
Shri S.C. Kumar	Member	4
Shri K.N. Rao	Member	3

All the Members have extensive financial and accounting knowledge/ background and the Chairman is an expert in accounting and financial management being a fellow member of ICAI. Apart from the members, all the Executive Directors, President, CFO, Head of Internal Audit, and representative/s of the Statutory Auditors attend the meetings of the Committee.

The Minutes of the meeting of the Committee are placed before the Board.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee (NRC) carries out the functions as per Section 178 of the Companies Act and SEBI (LODR) Regulations. The composition of the Committee is given below.

With the appointment of Shri S.B. Mathur, who was the Chairman of NRC, as Chairman of the Board of the Company, Shri P.R. Khanna was named Chairman of NRC by the Board on 27.10.2018. Shri Sanjay C. Kirloskar, Independent Director was nominated as a member of NRC on 27.10.2018 as Shri Tilak Dhar ceased to be member on his demitting office as Chairman of the Board with effect from 01.10.2018.

The Board in its meeting held on 26.3.2019 nominated Shri S.C. Kumar, who was already a member of NRC as its Chairman in place of Shri P.R. Khanna.

During the year 3 meetings of the Committee was held on 29.05.2018, 11.08.2018 and 24.09.2018.

Name of the Member	Status	No. of Meetings attended
Shri S.C. Kumar	Chairman	3
Shri S.B. Mathur	Member	3
Shri P.R. Khanna	Member	3
Shri Ravinder Narain	Member	3
Shri Sanjay C. Kirloskar	Member	(w.e.f. 27.10.2018)
Shri Tilak Dhar	Member	3 (ceased to be member w.e.f. 01.10.2018)

All the members of the NRC at that time were present at the AGM.

The NRC, inter alia, laid down the criteria for evaluation of the Board, its Committees, Directors and the Chairperson. The criteria is followed by the Board and the Independent Directors. A gist of the criteria is given in Annexure 2 of the Directors' Report.

Remuneration Policy

The Board on the recommendation of the NRC had laid down a Remuneration Policy for the Company in line with the requirements of Section 178 of the Companies Act, 2013. A gist of the policy has been given in the Directors' Report. A copy of the Policy has been put on the weblink of the Company http://www.dcmsr.com/other_files/remuneration%20policy.pdf.

The details of remuneration of executive directors for the year ended 31.03.2019 are given below:

(Rs./lakh)

Whole-time Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Tilak Dhar (Sr. MD)	54.30	186.55	40.69	14.66
Shri Alok B. Shriram (JMD)	53.10	193.64	35.12	14.34
Shri Madhav B. Shriram(DMD)	51.60	196.80	33.87	13.93
Shri K.N. Rao [Director & CEO (Rayons)]	25.02	11.43	18.72	6.76

The appointments are contractual in nature and can be determined by either party giving to the other six calendar months notice in writing or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the managerial personnel shall be entitled to compensation in accordance with the provisions of the Companies Act. No stock options were issued by the Company to its directors/ employees.

Non-executive directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fees is Rs.50,000 per Board meeting and Rs.25,000 per Committee meeting. The shareholders in their meeting held on 10.8.2016 accorded their approval for payment of commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors to non-executive directors. The details of the sitting fee and commission paid for the year 2018-19 to non-executive directors are given below. Their shareholdings in the Company are also as under:

Non-Executive Directors	Sitting fees (Rs./lakhs)	Commission (Rs./lakhs)	No. of Shares held (equity/ Rs.10 each)
Shri S.B. Mathur	6.25	17.05	–
Shri P.R. Khanna	6.50	17.05	960
Shri Ravinder Narain	3.75	14.95	570
Shri S.C. Kumar	5.25	17.05	–
Shri C. Vikas Rao	2.75	12.85	–
Ms. V. Kavitha Dutt	2.25	12.85	500
Mr. Sanjay C. Kirloskar	1.75	6.96	–

Except a fixed deposit of Rs.10 lakh in the name of Shri P.R. Khanna, ID, another fixed deposit of Rs.10 lakh in the name of P.R. Khanna (HUF) and a deposit of Rs.17.50 lakh in the name of Mrs. Kiran Khanna, wife of Shri P.R. Khanna, there have been no other pecuniary relationships with the non-executive directors vis-a-vis the Company during the year. The terms of the deposits are as applicable to other depositors.

Stakeholders' Relationship Committee

The Committee monitors shareholders' complaints, if any, and also approves transfer/ transmission of shares. The Committee meets on need basis.

During the year one meeting of the Committee was held on 26.03.2019, which was attended by all members. The composition of the Committee is as under:

Name of the Members	Status
Shri P.R. Khanna	Chairman
Shri Tilak Dhar	Member
Shri Alok B. Shriram	Member
Shri Ravinder Narain	Member
Shri Madhav B. Shriram	Member (w.e.f. 01.04.2019)

All the members of the Committee attended the AGM.

Shri Y.D. Gupta, Company Secretary is the Compliance Officer.

During the year, the Company received 10 shareholders' complaints of which 9 were resolved to the satisfaction of the shareholders. One complaint which was pending as on 31.3.2019 resolved subsequently.

General Body Meetings

The last three Annual General Meetings (AGM) were held at New Delhi at 10.00 A.M. as under:

Financial Year	Date	Venue
2015-2016	10/08/2016	Kamani Auditorium, Copernicus Marg, New Delhi – 110 001
2016-2017	22/08/2017	- Do -
2017-2018	11/08/2018	- Do -

No Special resolution was proposed in the AGMs held in the years 2016, 2017 and 2018.

Postal Ballot

During the year the Company got eight special resolutions passed through Postal Ballot process as laid down u/s 110 read with Section 108 and the Companies (Management and Administration) Rules, 2014. The postal ballot process was opened on 27.11.2018 and closed on 26.12.2018. The voting patterns on the resolutions are given below:

Sl No.	Description of Special Resolution	Votes in favour	Votes against
1	Approval to the reappointment of Shri S.C. Kumar as an Independent Director of the Company w.e.f. 01.04.2019.	10084546	52
2	Approval to the re-appointment of Shri S.B. Mathur as an Independent Director of the Company w.e.f. 01.04.2019.	10084546	52
3	Approval to the reappointment of Shri Ravinder Narain as an Independent Director of the Company w.e.f. 01.04.2019.	10084546	52
4	Approval to the re-appointment of Shri P.R. Khanna as an Independent Director of the Company w.e.f. 01.4.2019.	10084546	52
5	Pursuant to SEBI (LODR) (Amendment) Regulations,2018 authorizing payment of remuneration to Executive Directors from the Promoter group as per limits approved by the shareholders on 11.8.2018, which is within the overall limit under Section 197 of the Companies Act,2013,	10084595	3
6	Under Section 180(1)(c) of the Companies Act, 2013 authorizing the Board to borrow monies for the business of the Company subject to a limit of up to Rs.1000 cr.	10080210	4388
7	Under Section 180(1)(a) of the Companies Act, 2013 authorizing the Board to approve creation of charge/ mortgage/ hypothecation to secure the Company's borrowings.	10080169	4429
8	Under Section 62(3) of the Companies Act, 2013 authorizing the Board to approve conversion of debt to equity under certain events pursuant to RBI Guidelines on Strategic Debt Restructuring as per terms of borrowings.	10080260	4338

Shri Swaran Kumar Jain, Practicing Company Secretary, CP No.4906, who was appointed Scrutinizer by the Board, conducted the Postal Ballot Process.

It is not proposed to pass any special resolution by postal ballot presently.

Means of communication

The Company publishes quarterly, half-yearly and annual results as required under the SEBI (LODR) Regulations in the prescribed format. The results are published in one English and one Hindi daily. During the year under review the results were published in the Financial Express and the Jansatta. The unabridged version of the results is uploaded on the Bombay Stock Exchange Listing portal, which is available on its web-site, www.bseindia.com. The results are also put on the Company's weblink http://www.dcmsr.com/inv_rel_1.html#tab4. The company had issued a press note with regard to a Light Bullet Proof Vehicle, "ZEBU" developed by it. This information was displayed on the Company website in April 2018. It has not made any presentation to the institutional investors or to the analysts during the year.

The notice of the AGM along with Annual Report is sent to the shareholders well in advance of the AGM. In cases where the email IDs are notified the same is sent by email. The gist of the notice is also published in newspapers. In addition, the Stock Exchange is notified of any material developments or price sensitive information as required under Regulation 30 of the SEBI (LODR) Regulations. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly secretarial capital audit report, CG compliance report, etc. are also sent to the Stock Exchange as required under various Regulations. The Company has a weblink – https://www.dcmsr.com – in which general information about the Company, Code of Business Conduct and Ethics, Remuneration Policy, Shareholding Pattern, Related Party Transaction Policy, Quarterly/ Annual results, Code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. have been posted. Particulars of unclaimed dividend/ deposits, etc. are also posted on the website for information of investors.

Investor Education and Protection Fund (IEPF)

Ministry of Corporate Affairs had notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7.9.2016. As per the Rules, unclaimed/ unpaid dividends are to be transferred to IEPF at the end of 7 years. The shares in respect of which dividend has not been claimed for 7 consecutive years or more shall also be transferred to the IEPF following the prescribed procedure. The Company had in compliance with the Rules transferred 406365 equity shares held by 27848 shareholders to IEPF in the month of December, 2017. No unpaid dividend/ unclaimed shares were due for transfer to IEPF by the Company, during the year 2018-19. The shares and dividend transferred in the previous year(s) can be claimed from the IEPF after complying with the prescribed requirements. As per the Rules the holders of such shares cannot exercise any of the rights attached to the shares unless the shares are reclaimed from the IEPF.

General Shareholder Information

The AGM will be held on Tuesday, the 13th August, 2019 at 11:00A.M. at Kamani Auditorium, 1, Copernicus Marg (near Mandi House), New Delhi – 110001.

Financial Year – April to March

Date of Book Closure

The Register of members and other share transfer books will remain closed from 3rd August, 2019 to 13th August, 2019 (both days inclusive).

Dividend

The Board of Directors has recommended a dividend of Rs.6.00 per equity share of Rs.10 (60%) for the year. The dividend on approval by shareholders at the AGM will be paid by not later than 12.09.2019.

Listing on Stock Exchange

The shares in the Company are listed on BSE Limited, P.J. Towers, Dalal Street, Mumbai - 400 001.

It is confirmed that the Company has paid Annual Listing Fee to the above Stock Exchange. The Company's stock code on BSE is 523369.

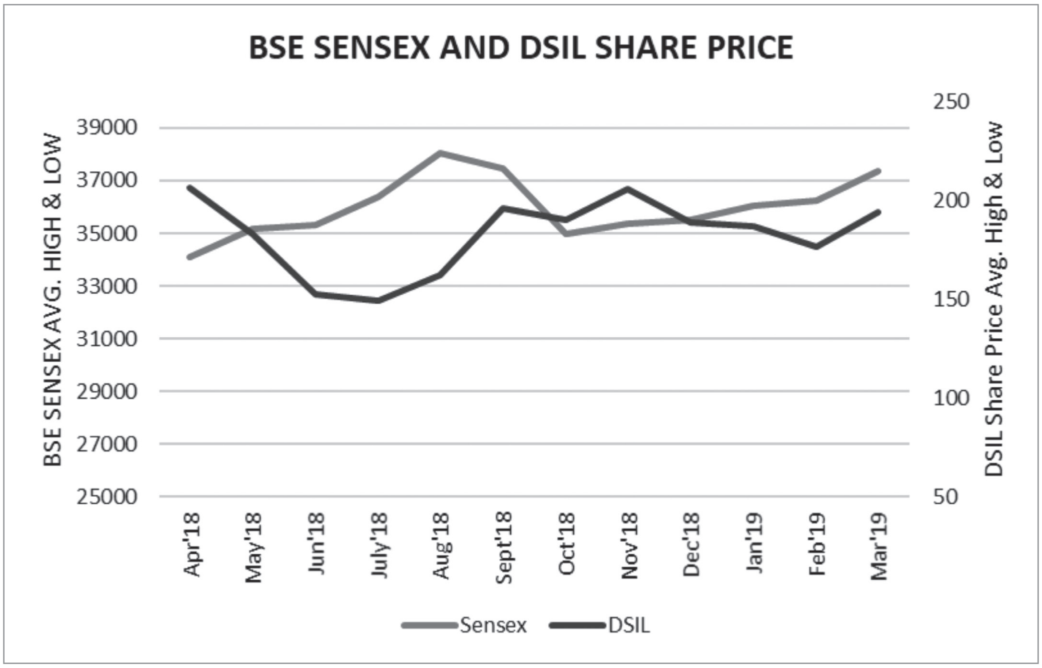
Market price data (BSE) (Rs.)

Month	April 2018	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2019	Feb.	Mar.
High	222.00	204.00	180.00	171.00	179.80	239.00	227.90	227.00	197.40	201.00	199.00	212.40
Low	191.05	162.00	125.05	128.00	144.25	153.00	152.50	184.10	179.95	173.20	154.00	175.10

BSE Sensex Data (Rs.)

Month	April 2018	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2019	Feb.	Mar.
High	35213	35994	35877	37645	38990	38934	36617	36389	36555	36701	37172	38749
Low	32973	34303	34785	35107	37129	35986	33292	34303	34426	35376	35287	35927

DCM Shriram Industries Ltd.'s Share Price Vs. BSE Sensex



Registrar and Share Transfer Agents and Share Transfer System

Karvy Fintech Pvt. Ltd. is the share transfer agent of the Company, having the following addresses:

- Karvy Selenium Tower B, Plot 31-32,
  Gachibowli, Financial District.
  Nanakramguda, Hyderabad – 500 032
  Phone 040-67161500/ 18003454001
  Email ID: einward.ris@karvy.com
- New Delhi House, 305, 3rd Floor,
  Barakhamba Road,
  New Delhi - 110001
  Phone 011-43681700
  Email ID: delhi@karvy.com

The shareholders/ investors may also write to the Company at its Registered Office for any grievance/ share transfer related matters to enable the Company to get the matter sorted out expeditiously.

In order to expedite transfer of shares in physical form, the Board had delegated authority to the Company Secretary to approve transfer/ transmission of up to 2000 shares in any one case at a time. The share transfers are registered and the certificates are returned, duly endorsed, within a fortnight's time by the Registrars. Beyond 2000 shares, in any one case, transfer/ transmission is approved by Stakeholders' Relationship Committee.

Distribution of Shareholding

Nominal value of Shareholding			Shareholders		Face Value	
(Rs.)			Number	%age	(Rs.)	%age
Up to		5000	51424	98.44	13845410	7.96
5001	To	10000	404	0.77	3158420	1.82
10001	To	20000	208	0.40	3111980	1.79
20001	To	30000	68	0.13	1716340	0.99
30001	To	40000	30	0.06	1051590	0.60
40001	To	50000	27	0.05	1250260	0.72
50001	To	100000	37	0.07	2703970	1.55
100001	&	Above	43	0.08	147146400	84.57
TOTAL			**52241**	**100%**	**173984370**	**100%**

Shareholding pattern

Category	No. of shares held (in lakhs)	Percentage
Promoters	80.85	46.47
FIs, Banks & Mutual funds	12.44	7.15
Others (public)	80.69	46.38
TOTAL	**173.98**	**100.00**

Dematerialization of shares

The shares in the Company are under compulsory dematerialized trading. Up to 31.03.2019, 168.61 lakh (96.91%) equity shares in the Company have been dematerialized. The Company's ISIN No. is **INE843D01019**.

Outstanding instruments

The Company has not issued any GDRs/ADRs and no convertible instrument is outstanding.

Plant locations

Daurala Sugar Works
Daurala, Meerut (U.P.)

Shriram Rayons
Shriram Nagar, Kota (Raj.)

Daurala Organics
Daurala, Meerut (U.P.)

Address for correspondence with the Company:

'Investor Service Section'
6th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi – 110001.
e-mail ID – investorservices@dcmsr.com
CIN - L74899DL1989PLC035140

Credit Ratings

Credit ratings obtained by the Company are as under:

Instrument	Rating	Remarks
Fixed Deposit	CARE A + (FD)	Reaffirmed on 15.4.2019. Valid till August, 2019
Short term bank facilities	CARE A1 +	Valid till August, 2019
Long term facilities	CARE A +	Valid till August, 2019

Other Disclosures

a) There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

b) There has been no instance of non-compliance by the Company of any requirements related to capital markets during the last 3 years.

c) The Board of Directors have established a Vigil Mechanism (Whistle Blower Policy) for the Company and no personnel has been denied access to the Audit Committee.

d) The Company has complied with all mandatory requirements. Regarding non-mandatory requirements, the Company has endeavored to move towards a regime of financial statements with unmodified audit opinion. The Internal auditors' reports are submitted to the Audit Committee, which interacts with them directly.

e) The policies regarding determination of material subsidiary and related party transactions are available on the Company's weblink http://www.dcmsr.com/other_files/mspolicy.pdf

f) The policy on dealing with related party transactions is available on the Company's weblink http://www.dcmsr.com/other_files/related%20party%20trx%20policy.pdf

g) The Company is not engaged in commodity trading on the Commodity Exchange/s.

h) The Company has not raised any funds through Preferential allotment / qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, during the year 2018-19.

i) A certificate from M/s. Chandrasekaran & Associates, Practicing Company Secretaries, confirms that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI / Ministry of Corporate Affairs, or any such statutory authorities.

j) There has been no case where the Board did not accept any recommendation of any of the Committees of the Board.

k) The total fees paid by the Company and its subsidiary to the Statutory Auditors of the Companies during the year 2018-19 are given below:

Auditors		Amount (Rs./ lakh)
Company – BSR & Co., LLP	- Statutory Audit - Others (Audit of quarterly results and certification jobs)	25.00 * 35.00 *
Subsidiary – SR Dinodia & Co.	- Statutory Audit - Others	0.59 0.83

* Taxes and out of pocket expenses – actual.

No other payment has been made to any entity, which is linked to the above statutory auditors.

l) No complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013.

The Company has complied with all the requirements of Corporate Governance and CG Report as per Regulations 17 to 27, 46 and Schedule V(C) of LODR Regulations so far as they apply to the Company.

Demat Suspense Account / Unclaimed Suspense Account

The position with regard to the unclaimed equity shares, transferred to the Demat Suspense Account as required under SEBI (LODR) Regulations, is as under:

Particulars	No. of Folios	No. of Shares
Outstanding shares in the suspense Account as on 1st April, 2018.	515	8276
Number of shareholders approached listed entity for transfer of shares from suspense account during the year 2018-19.	2	150
Number of shareholders to whom shares were transferred from suspense account during the year 2018-19.	2	150
Shares transferred to IEPF as per IEPF Rules 2016 (for the year 2018-19)	Nil	Nil
Outstanding shares in the suspense account lying at the end of 31.3.2019	513	8126

The voting rights on the above shares remain frozen till the shares are released to the rightful owners.

Confirmation of compliance of Code of Business Conduct and Ethics

I declare that all Board members, Key Managerial and Senior Management personnel have individually affirmed compliance with the Code of Business Conduct and Ethics adopted by the Company during the year 2018-19.

(Tilak Dhar)
Senior Managing Director & CEO
(DIN 00204912)

May 27, 2019

COMPLIANCE CERTIFICATE

To the Members of DCM Shriram Industries Limited

We have examined the compliance of conditions of Corporate Governance by DCM Shriram Industries Limited for the year April 1, 2018 to March 31, 2019 as required under Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations.

We state during the year April 1, 2018 to March 31, 2019, ten investor grievances were received of which 9 were resolved to the satisfaction of shareholders. One investor grievance was pending against the Company as per the records maintained by the Company as on 31.3.2019, which was resolved subsequently.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Upender Jajoo & Associates,
Company Secretaries in Whole-time Practice

(Upender Jajoo)
M No. 33121
CP No. 14336

New Delhi
Date: May 23, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
DCM Shriram Industries Limited
Kanchenjunga Building 18,
Barakhamba Road
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DCM Shriram Industries Limited and having CIN L74899DL1989PLC035140 and having registered office at Kanchenjunga Building 18, Barakhamba Road New Delhi -110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial

Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of director	DIN	Date of appointment in Company
1	Sanjay Chandrakant Kirloskar	00007885	01/09/2018
2	Sunil Behari Mathur	00013239	14/01/2008
3	Prithvi Raj Khanna	00048800	05/10/2005
4	Ravinder Narain	00059197	29/01/2008
5	Samir Chandra Kumar	00064453	10/02/2013
6	Velagapudi Kavitha Dutt	00139274	02/02/2015
7	Madhav Bansidhar Shriram	00203521	05/10/2005
8	Alok Bansidhar Shriram	00203808	01/04/1992
9	Tilak Dhar	00204912	05/10/2005
10	Narayan Rao Karanam	06730043	01/02/2014
11	Collu Vikas Rao	06900458	14/08/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner

New Delhi
Date: May 24, 2019

Membership No. ACS 28994
Certificate of Practice No. 13050

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's business comprises of sugar and its allied products, chemicals and rayon, with manufacturing facilities at Daurala (U.P.) and Kota (Rajasthan). The Directors' Report gives segment-wise/ product-wise performance and outlook of these operations. The Directors' Report also deals with internal financial control systems, their adequacy, risk and concerns.

The industry situation and competitive scenarios for the various products are given below:-

Sugar

The Sugar Industry is an integral part of rural economy especially in Uttar Pradesh, Maharashtra and Karnataka. A large number of farmers, consumers, workers, traders and transporters are reliant on sugar industry and have enjoyed the fruits of prosperity with sugar industry. India is a dominant player in the global sugar industry, being the largest consumer and second largest producer of sugar.

The sugar industry continues to grow and has successfully tapped its by-products to create alternate revenue streams thereby reducing reliance on sugar. From being largely a sugar entity around a decade back, it has evolved into multi product industry by adopting advance technologies for forward integration of its by products. The Industry has helped to bridge the shortfall in the Country's power requirement, using environmental friendly agro fuels replacing the fossil fuels like coal etc. This has also helped in creating value for agro wastes like mustard / paddy husk, thereby augmenting farm income.

The Industry has also taken a cue from countries like Brazil to produce absolute alcohol to be used for ad-mixing with petro based fuels. Absolute Alcohol is environmentally friendly and helps in saving precious foreign currency. The Sugar Industry has accepted the challenge of not only meeting 10% ad-mixing target but is also ready for higher ad-mixing percentage to adhere to Government goals and road map on admixing. In the year 2018-19 the admixing was 7% against 4% in 2017-18.

During last two years, there has been record domestic production of over 32 Million MT of sugar as against a demand of 26 Million MT. This has put pressure on sugar prices and led to accumulation of cane dues. The Industry is grappling with storage and liquidity problems, though the Government has taken some short term initiatives to provide liquidity by way of soft loans especially to clear cane dues.

The following steps were announced by the Government to address the same.

- Declaring Minimum Indicative Export Quantity of 5 Million MT for Sugar Season 2018-19 in addition to 2 Million MT announced for 2017-18 Season.
- Allowing production of Absolute Alcohol directly from cane juice and B Heavy Molasses, to reduce sugar production.

The Government gave some incentives for meeting the above. For continued sustainability, a long term policy needs to be in place with respect to regularizing exports and pricing of absolute alcohol produced from cane juice and B/C molasses. In the absence of long term policy the Industry is apprehensive of committing investments, especially fearing policy reversal during period of sugar shortage.

Cane pricing especially declaring State Advised Price (SAP) by the State Governments continues to create uncertainty and viability issues. Though cane pricing has been somewhat rational during last few years, it continues to be abnormally high, and is driven by political compulsions. Further, due to higher assured returns in cane farming compared to other crops, area under cane is on the rise leading to frequent sugar surplus years, despite heavy losses to the Sugar Industry, and inventory levels being abnormally high as has been concluded by various enquiry commissions over the years, building a linkage between cane price and sugar price is essential.

Over regulation of the sector has been a critical issue for the Industry. Being a cyclic commodity, some rational regulation has been necessary, also given the social ramification of viability of the sector. Over the last few years this has become much more critical. With the impetus given to co-generation of power and the Ethanol Blending Programme, the power and ethanol pricing policies have dramatically increased the span of regulation of the Industry. With raw material i.e., cane, priced on consideration other than market forces, the end products, i.e. sugar, ethanol and power require commensurate pricing to make the additional investments on these products viable.

It was seen in the year 2016-17 when support for ethanol was withdrawn, the blending of ethanol dropped from 3.5% to 2.1% in one year. It only revived when the pricing policy was revisited. Similarly, the pricing of power sold to the grid is fixed by Government. A recent report suggesting that the State Government has drafted a policy that might dramatically reduce the same is alarming. This would be very adverse to Industry and farmers, making co-generation of Power unviable.

It is imperative that the basic policies for sugar cane, ethanol and co-generation are kept rational, and on a long term basis to ensure viability of Industry and investments.

Going forward, Sugar Season 2019-20 is seen to be only somewhat better as International Agencies are predicting that the continuing sugar surplus may reduce because of lower production in Brazil, Thailand and India. There is a rise in crude oil prices, which could have positive impact on Sugar Industry, with cane getting diverted for absolute alcohol production.

The alcohol business continues to be stable with the pick-up in the ethanol blending programme. The Industry has created additional absolute alcohol capacity to meet the enhanced requirement of Oil Marketing Companies. During the year, Government declared better prices for absolute alcohol produced from cane juice and B Heavy Molasses. The response during this year has been limited but Industry is gearing up to supply higher quantities in the coming year, though apprehensions on long term pricing persist.

Because of record crushing during 2017-18, the molasses prices were negligible. Presently, some support has been seen in the molasses prices with increased utilization of the same for blending of alcohol with petrol.

Rayon

Shriram Rayons manufactures Rayon tyre yarn, grey and treated fabric. The products are predominantly used as reinforcement material in high performance tyres. The Unit is exporting the products to major international tyre manufacturers in various countries.

The Unit has built up capability to supply treated fabric which is readily usable and is preferred by the tyre companies, enabling the Unit to achieve highest exports during the year, treated fabric constituting 75% of the exported volume.

The Unit achieved highest ever production during the year with debottlenecking in selected areas.

The Unit's efforts to increase its market share by seeking approvals from various other plants of customers has been successful and orders to supply has exceeded the current capacity. To meet the market requirement in coming period the Unit is implementing a project to increase the Rayon production capacity and also install a new dipping unit with state of the art technology.

During the year, price of Sulphuric acid increased substantially. The prices of Coal and Agrofuel also increased during the year. These along with increase in price of various chemicals resulted in overall increase in input cost. However, the Unit was able to improve the operating margins with higher capacity utilization, improved export realization and favourable exchange rate.

The Unit implemented energy related projects in previous years improving energy cost and increasing use of agro-fuel. Further, project for installation of one agro-fuel boiler and an extraction cum condensing turbine to increase captive generation was operationalized during the year. This project will help in reducing the energy cost and also meet additional requirement of capacity expansion project under implementation. The project will further reduce our dependence on coal.

To harness more renewable energy, the Unit operationalized a 1 MW Solar Power Plant last year and the same is working satisfactorily, supplementing the grid/ captive power. Steps have been initiated for installation of one more 1 MW Solar Power plant. The same is expected to be operationalized in next year.

The Unit succeeded in reducing the water consumption further by recycling and reuse.

Chemicals

The Chinese competitors for our main products faced pressure from their Environment Authorities on waste disposal. Towards year end, some manufacturers improved their waste treatment systems, and also there were signs of easing of Govt. pressure.

As a consequence, international prices continue to rule at reasonable levels because of which the profitability of our chemical business showed improvement.

Going forward, we expect the market situation to remain stable in spite of revival of Chinese competition.

The Company continues to undertake debottlenecking of its Plants based on market opportunities.

Financial Ratios

Following are ratios for the current financial year and their comparison with preceding financial year, along with explanations where the change has been 25% or more when compared to immediately preceding financial year.

Sl. No.	Ratio description	Unit	2017-18	2018-19	Change %	Explanation
1	Debtors turnover	No. of times	11.04	9.50	-13.95	
2	Inventory turnover	No. of times	2.26	1.87	-17.26	
3	Interest coverage ratio	No. of times	4.13	5.63	36.32	Refer Note 1
4	Current ratio	No. of times	1.16	1.21	4.31	
5	Debt equity ratio	No. of times	0.08	0.18	125.00	Refer Note 2
6	Operating profit margin	%	6.73	8.00	18.87	
7	Net profit margin	%	3.33	4.36	30.93	Refer Note 3
8	Return on Net worth	%	13.84	15.41	11.34	Refer Note 3

Notes:

1. Improvement in ‘Interest Coverage ratio’ is due to higher profits and lower interest costs.
2. Increase in ‘Debt Equity ratio’ is due to higher long term debt mainly on account of working capital soft loans availed under “Scheme for extending financial assistance to Sugar Undertakings, 2018” of Government of Uttar Pradesh for cane payment.
3. Increase in `Net Profit Margin’ and `Return on Net-worth’ is attributable to higher net profit during the year.

Material Development in human resources/ industrial relations front

The Company’s HR philosophy is that a dedicated, enlightened and contented work force is the life line for any business to achieve its goals. Strength of any organization is its employees. The Company’s focus on HR always is on development of a work force to meet the present and future challenges with adequate skills. A contented work force is the pillar of the organization.

Industrial relations remained cordial in all operations during the year. As on 31.3.2019 the total number of employees on the Company’s pay roll was 2471.

The Company undertakes/ supports a wide spectrum of activities in the areas where its operations are located to ensure that the expenditure being incurred by the Company on CSR activities benefit the maximum people. The activities cover education, health care, rural development, environment protection and infrastructure development.

Environment protection

The Company gives utmost importance to environment protection in and around the areas, where its operations are located. Tree plantation is an on-going activity both at Daurala and Kota. This activity not only improves the quality of air in the area, but also mitigates greenhouse emissions, which are the major cause of global warming. The emphasis continues to be on using environment friendly agrofuels for power generation in place of fossil fuels.

The Company’s Units have progressively shifted to environment friendly fuels from fossil fuels for power generation. DSW has totally eliminated use of coal and SR continued to use agrowaste fuels in place of fossil fuels to a large extent. Research and innovation are on going activities in the Company to develop systems and measures to minimize emissions from its operations and remained environment friendly.

TO THE MEMBERS OF
DCM SHRIRAM INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of DCM Shriram Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the profit and other comprehensive income, changes in equity and its cash flows, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the standalone 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of Key Audit Matter

Determination of net realizable value of inventory of sugar
See notes 2B(d) and 10 to the standalone financial statements

Key audit matter	How the matter was addressed in our audit
As at 31 March 2019, the Company has inventory of sugar with the carrying value of Rs.47,751.22 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We believe that the value of inventory of sugar is a key audit matter considering its size in the financial statements and judgement involved in the consideration of factors including minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales, frequent fluctuations in selling prices and the related notifications and policies of the Government in this business segment.	We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. We have considered various factors including the actual selling prices prevailing around and subsequent to the year end, management estimation of various scenarios, e.g; overall production and consumption of sugar, minimum selling price, notifications of the Government of India, and other measures taken by the Government with respect to sugar industry as a whole. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.

Impact of Government policies/ notifications
See notes 2B(h), 37 and 50 to the standalone financial statements

Key audit matter	How the matter was addressed in our audit
The Government authorities have issued various notifications impacting sugar mills. These include export of sugar along with compliances with several conditions to be eligible to get certain Government grants for offsetting the cost of cane crushed and to facilitate timely payment of farmers' dues.	We understood and tested the design and operating effectiveness of controls as established by the management in recognition and recoverability of the claims. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/ policies and collections.

Key audit matter	How the matter was addressed in our audit
During the year, the Company has recognised grants/ assistance aggregating to Rs.2,968.04 lakhs and export loss of Rs.4,125.87 lakhs to fulfil the minimum export indicative quota (MEIQ) as notified by the Government. These have been considered significant to the financial statements These areas involved significant management judgement in recognition, considering stringent compliances. The area of judgement includes assessment of fulfilment of regulatory conditions, reliability of amounts recognised, provisions thereof, and timing of accruals.	We considered the relevant notifications/ policies issued by various authorities to ascertain the appropriateness of claims and related adjustments pursuant to any changes, basis for determination of claims and loss on exports. We tested the ageing analysis and assessed the information used by the management to determine the realisability of claims and provisions considered in the financial statements. Based on the above procedures performed, the management's estimates related to recognition of grants/ assistance and related export losses are considered reasonable.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements may 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 financial statements.

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

- identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of internal controls 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

   e) on the basis of the written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. the Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. there has been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

   (C) With respect to the matter to be included in the Auditor's Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 1012482W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Date: 27.05.2019
Place: New Delhi

Annexure A referred to in our Independent Auditor's Report to the members of DCM Shriram Industries Limited on the Standalone Financial Statements for the year ended 31 March 2019.

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment, by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the management during the current year. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and based on the confirmation obtained by the Company from the custodian of the title deeds, with whom the title deeds are deposited as security for loans and the examination of the registered sale deed/ transfer deed/ conveyance deed, provided to us, we report that the title deeds of the immovable property are held in the name of the Company, except for:

Rs. lakh

Situated at	Whether leasehold / freehold	Gross block as at 31 March 2019	Net block as at 31 March 2019
Daurala, Uttar Pradesh*	Freehold	379.04	379.04
Daurala, Uttar Pradesh**	Freehold	44.95	44.95
Kota, Rajasthan*	Leasehold	465.00	465.00

* Vested pursuant to a Scheme of Arrangement of erstwhile DCM Limited and yet to be endorsed in the name of the Company.

** The title deeds are in the name of Daurala Organics Limited, an erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956, in terms of the approval of the Honourable High court of judicature.

(ii) According to the information and explanations given to us, the inventories, except goods-in-transit, have been physically verified by the management at the year end. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business. In our opinion and as per the information and explanations received by us, the discrepancies noticed on comparison of physical verification of inventories with book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any transactions during the year related to loans, investment, guarantees and securities, to which the provisions of Sections 185 and 186 of the Act are applicable.

(v) According to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regards to the deposits accepted except in terms of the Rule 13 of the Companies (Acceptance of Deposit) Rules, 2014 and Section 73(2)(c) of the Act, the Company was required to deposit such sum which shall not be less than fifteen per cent of the amount of its deposits maturing during a financial year and the financial year next following on or before thirtieth day of April of each year. Accordingly, the Company was required to deposit an amount of Rs. 7,417,350 in liquid assets till 30 April 2018. However, the Company deposited a sum of Rs. 5,470,439 by the required date after inadvertently considering a proposed notification which was assented by the President on 3 January 2018 but was notified subsequent to 30 April 2018. The shortfall was subsequently deposited on 29 May 2018. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal with regard to acceptance of deposits by the Company.

(vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST'), Duty of customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST, Duty of customs, Cess and other material statutory dues, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Also refer to note 41 wherein it has been explained that the Company has not recognised any additional Provident Fund liability with respect to recent Hon'ble Supreme Court's judgement dated 28 February 2019 in this regard. While the Company is in the process of assessing its impact, if any, for the past years, the relatable impact on the current year is not significant.

(b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, GST and Value-added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statue	Nature of dues	Forum where dispute is pending	Period to which the amount related (Various years covering the period)	Amount involved* (Rs. lakhs)	Amount paid under protest (Rs. lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal**	2003-2006	1708.75	1708.75
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	March 2012 to February 2013 December 2015 to June 2017 November 2015 to June 2017 October 2015 to June 2017 April 1995 to June 1995 2004 -2005, 2014-2017	82.89	10.03
Central Excise Act, 1944	Excise Duty	High Court	June 1998 to February 1999	3.54	-
		CESTAT, Delhi	2004 -2009, 1995- 1996	31.78	-
Sales Tax Laws	Sales Tax	High Court	1989-1990, 1992-1993, 1995-1996, 1997-1998, 2008-2009, 2009-2010, 2010-2011, 2013-2014	115.42	-
		Commercial Tax Tribunal	2014-2015	3.48	-
		Additional Commissioner (Appeals)	2004-2005	2.21	0.88
Service Tax Laws – Finance Act, 1994	Service Tax	Assistant Commissioner	April 2014 to December 2015	10.31	-

* amount as per demand orders, including interest and penalty wherever indicated in the demand orders.

** Order passed by ITAT in favour of the Company, though may be subject to appeal by the department within the prescribed time.

(viii) According to the information and explanations given to us, there is no default existing at the balance sheet date in repayment of loans or borrowings to Government, banks and a financial institution. The Company has not issued any debentures during the year.

(ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has utilized the money raised during the year by way of term loans, for the purposes for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197, read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order and provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W / W-100022

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 27, 2019

Annexure B to the Independent Auditor's report on the standalone financial statements of DCM Shriram Industries Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report]

Opinion

We have audited the internal financial controls with reference to financial statements of DCM Shriram Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria, established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements, included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risks. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W / W-100022

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 27, 2019

Standalone Balance Sheet as at March 31, 2019

Particulars	Note No.	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**38,925.47**	32,986.77
Capital work-in progress	3	**2,245.66**	1,781.71
Intangible assets	4	**90.32**	100.20
Intangible assets under development	4	**16.50**	-
Financial assets			
(i) Investments in subsidiary and associate	5	**613.40**	613.40
(ii) Loans	6	**500.24**	494.10
(iii) Other financial assets	7	**99.67**	159.66
Income-tax assets (net)	8	**1,393.90**	1,810.92
Other non-current assets	9	**983.88**	466.39
Total non-current assets		**44,869.04**	38,413.15
Current assets			
Inventories	10	**61,643.95**	49,605.54
Financial assets			
(i) Investments	11	**1,710.18**	-
(ii) Trade receivables	12	**19,053.59**	16,488.27
(iii) Cash and cash equivalents	13	**597.56**	700.86
(iv) Other bank balances	14	**695.03**	528.25
(v) Loans	15	**12.11**	321.91
(vi) Other financial assets	16	**308.86**	886.59
Other current assets	17	**2,806.30**	2,430.60
Total current assets		**86,827.58**	70,962.02
TOTAL ASSETS		**131,696.62**	109,375.17
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	**1,739.84**	1,739.84
Other equity	19	**45,491.53**	39,053.54
Total equity		**47,231.37**	40,793.38
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	**8,321.62**	3,202.56
(ii) Other financial liabilities	21	**73.93**	90.97
Provisions	22	**1,173.73**	1,020.96
Deferred tax liabilities (net)	38	**2,896.97**	3,206.69
Other non-current liabilities	23	**73.28**	32.28
Total non- current liabilities		**12,539.53**	7,553.46
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**34,791.90**	36,090.76
(ii) Trade payables	25		
- Total outstanding dues of Micro and Small Enterprises		**337.19**	-
- Total outstanding dues other than Micro and Small Enterprises		**30,544.17**	19,794.95
(iii) Other financial liabilities	26	**4,414.90**	3,378.53
Other current liabilities	27	**1,454.36**	1,355.85
Provisions	28	**383.20**	408.24
Total current liabilities		**71,925.72**	61,028.33
TOTAL EQUITY AND LIABILITIES		**131,696.62**	109,375.17
Significant Accounting Policies	2B		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Statement of Standalone Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Revenue			
Revenue from operations	29	**168,900.18**	172,626.43
Other income	30	**1,818.47**	1,538.75
Total revenue		**170,718.65**	174,165.18
Expenses			
Cost of material consumed	31	**101,734.37**	102,596.67
Purchase of traded goods	32	**13,151.74**	12,089.89
Changes in inventories of finished goods and work-in-progress	33	**(10,693.40)**	4,355.26
Excise duty		**-**	2,183.29
Employee benefits expense	34	**13,480.17**	12,630.74
Finance costs	35	**2,400.18**	2,814.32
Depreciation and amortisation expense	36	**2,079.54**	1,924.16
Other expenses	37	**39,526.75**	28,698.72
Total expenses		**161,679.35**	167,293.05
Profit before tax		**9,039.30**	6,872.13
Tax expense			
Current tax expense	38	**1,948.03**	1,496.34
Deferred tax (credit)/ charge	38	**68.66**	(379.98)
Tax relating to earlier years	38	**(335.05)**	-
		1,681.64	1,116.36
Profit for the year		**7,357.66**	5,755.77
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) on defined benefit obligation		**(124.02)**	(168.88)
Income tax pertaining to items that will not be reclassified to profit or loss		**43.34**	58.45
Total other comprehensive income/ (expense), net of taxes		**(80.68)**	(110.43)
Total comprehensive income		**7,276.98**	5,645.34
Earnings per equity share - basic/ diluted (Rs.)	43	**42.29**	33.08
Significant Accounting Policies	2B		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Statement of Standalone Cash Flow for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**9,039.30**	6,872.13
Adjustments for :		
Depreciation and amortisation	**2,079.54**	1,924.16
Finance costs	**2,400.18**	2,814.32
Interest income	**(231.95)**	(88.28)
Interest received against subvention	**(286.04)**	(350.42)
Deferrred rent amortisation	**(9.23)**	1.30
Profit on sale of fixed assets	**(52.68)**	-
Loss on sale of property,plant and equipment / discarded assets (net)	**-**	43.77
Profit on sale of current investments	**(175.78)**	(60.23)
Net gain on fair value of investments	**(64.07)**	-
Operating profit before changes in assets and liabilities	**12,699.27**	11,156.75
Changes in assets and liabilities		
Increase / (Decrease) in trade payables	**11,086.41**	(5,622.17)
Increase in financial liabilities	**8.53**	5.11
Increase / (Decrease) in other liabilities & provisions	**143.22**	(2,437.42)
(Increase) in trade receivables	**(2,565.32)**	(1,689.89)
(Increase) / Decrease in inventories	**(12,038.41)**	5,912.16
Decrease in financial assets	**943.88**	254.70
(Increase) / Decrease in other assets	**(374.41)**	880.57
Cash generated from operations	**9,903.17**	8,459.81
Income tax paid (Net)	**(1,530.99)**	(2,125.54)
Net cash from operating activities (A)	**8,372.18**	6,334.27
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on acquisition of items of property, plant and equipments, including capital advances	**(8,853.36)**	(3,862.08)
Proceeds from sale of property, plant and equipments	**117.18**	161.32
Purchase of current investments	**(10,375.00)**	(9,964.00)
Proceeds from sale of current investments	**8,904.66**	10,248.41
Changes in other bank balances	**(166.78)**	(119.51)
Interest received	**229.45**	72.60
Net cash used in investing activities (B)	**(10,143.85)**	(3,463.26)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	**8,959.17**	3,531.13
Repayment of long term borrowings	**(3,000.63)**	(2,992.60)
(Repayments) / proceeds from short term borrowings (net)	**(1,148.86)**	552.69
Payment of Inter Corpoate deposit	**(150.00)**	-
Finance costs paid (Net of subvention)	**(2,167.82)**	(2,438.04)
Dividend paid	**(680.44)**	(1,097.21)
Dividend distribution tax paid	**(143.05)**	(230.22)
Net cash from / (used) in financing activities (C)	**1,668.37**	(2,674.25)
Net increase in cash and cash equivalents (A+B+C)	**(103.30)**	196.76
Cash and cash equivalents at the beginning of the year	**700.86**	504.10
Cash and cash equivalents at the end of the year	**597.56**	700.86
Component of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	**569.35**	668.43
- Cash in hand	**28.21**	32.43
	597.56	700.86
Cash and cash equivalents at the close of the year		

Contd. on next page

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities :

(Rs. lakhs)

Particulars	Non-current borrowings*	Current borrowings
Opening balance as at April 1, 2018	**5,980.25**	**36,090.76**
Cash flows during the year	**5,832.88**	**(3,341.02)**
Non-cash changes due to:		
- Interest accrued (net of subvention)	**37.72**	**2,042.16**
- Variation in exchange rates	**-**	**-**
- Transaction costs on borrowings amortised	**34.26**	**-**
Closing balance as at March 31,2019	**11,885.11**	**34,791.90**

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 26.

Notes

1. The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 on "Statement of Cash Flows ".
2. Refer Note 37 for Corporate Social Responsibility (CSR) expenses.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Statement of Standalone Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2017	1,739.84
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	1,739.84
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at March 31, 2019	**1,739.84**

B. Other equity

(Rs.lakhs)

Particulars	**Reserve and surplus**					**Items of Other Comprehensive Income**	**Total**
	Amalgamation reserve	**General reserve**	**Capital redemption reserve**	**Securities Premium account**	**Retained Earnings**	**Remeasurement of defined benefit obligations**	
Balance as at April 1, 2017	1,411.38	13,465.60	0.10	3,406.68	16,595.21	(109.65)	34,769.32
Profit for the year	-	-	-	-	5,755.77	-	5,755.77
Other comprehensive income / (expense) for the year	-	-	-	-	-	(110.43)	(110.43)
Total comprehensive income for the year	1,411.38	13,465.60	0.10	3,406.68	22,350.98	(220.08)	40,414.66
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Final dividend on equity shares	-	-	-	-	(1,130.90)	-	(1,130.90)
Dividend distribution tax on final dividend	-	-	-	-	(230.22)	-	(230.22)
Balance as at March 31, 2018	1,411.38	13,465.60	0.10	3,406.68	20,989.86	(220.08)	39,053.54
Balance as at April 1, 2018	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**20,989.86**	**(220.08)**	**39,053.54**
Profit for the year	**-**	**-**	**-**	**-**	**7,357.66**	**-**	**7,357.66**
Other comprehensive income / (expense) for the year	**-**	**-**	**-**	**-**	**-**	**(80.68)**	**(80.68)**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**28,347.52**	**(300.76)**	**46,330.52**
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Final dividend on equity shares	**-**	**-**	**-**	**-**	**(695.94)**	**-**	**(695.94)**
Dividend distribution tax on final dividend	**-**	**-**	**-**	**-**	**(143.05)**	**-**	**(143.05)**
Balance as at March 31, 2019	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**27,508.53**	**(300.76)**	**45,491.53**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

1. Corporate Information

DCM Shriram Industries Limited (the "Company") is a Public Limited Listed Company incorporated in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of sugar, alcohol, power, chemicals and industrial fibers.

2 Basis of preparation of financial statements

a) Statement of Compliance

These Standalone Ind AS Financial Statements ("Standalone Financial Statements") of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

These Standalone Financial Statements of the Company for the year ended March 31, 2019 are approved by the Company's Audit Committee and by the Board of Directors on May 27, 2019.

b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are in Rupees lakhs with two decimal points rounded-off to the nearest thousands, unless otherwise stated.

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. In particular, information about significant areas of estimation/ uncertainty and judgements in applying accounting policies that have the most significant effects on the standalone financial statements are included in the following notes:

- Recognition and estimation of tax expense including deferred tax- Note 38.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2B(b) & (c).
- Estimation of obligations relating to employee benefits: key actuarial assumptions- Note 2B(g)
- Valuation of Inventories- Note 2B(d)
- Fair Value Measurement of financials instruments- Note 2B(p)
- Lease Classification- Note 2B(m)
- Recognition and Measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2B(k)
- Impairment of financial assets- Note 2B(p)
- Impairment of non-financial assets- Note 2B(j)

2A. Changes in significant accounting policies

Ind AS 115- Revenue from contract with customers became applicable from 1 April 2018 and has been adopted by the company (Refer note no 2B (e)). It replaces Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services as against when significant risks and rewards of ownership have passed to the buyer under Ind AS 18. Determining the timing of transfer of control requires judgement.

The company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the impact of initial application to be taken in retained earnings. Accordingly, the information presented for 2017-18 has not been restated.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 and in recognizing revenue by the company.

2B. Significant accounting policies

a) Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Subsequent Expenditure

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

(iii) Depreciation

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05 lakhs are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc. during the year.

Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

c) Intangible assets

(i) Recognition and initial measurement

Intangible assets comprise computer software. Intangible assets that are acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortisation

Intangible assets, being computer software are amortised in the Statement of Profit and Loss over the estimated useful life of 5 years using the straight line method.

The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on a 'weighted average' basis. Cost comprises of raw material cost, appropriate share of labour, and overheads incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i. Sales of goods

Revenue from sale of goods is recognised when the company satisfies its performance obligation by transferring goods to the customer i.e. when the customer obtains control of the goods.

ii. Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Job work is recognized upon full completion of the job work.

iii. Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

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

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

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land and investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
  - taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

g) Employee benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Defined contribution plans

The defined contribution plans i.e. provident fund, superannuation fund and employees' pension scheme are post-employment benefit plans under which a Company pays fixed contributions into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

These are funded by the Company and are managed by LIC.

The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

iv) Other long-term employee benefits

Benefits under the Company's privilege leaves and medical leave are other long term employee benefits. The Company's net obligation in respect of privilege leave and medical leave are the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method.

Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

h) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income other than export benefits which are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

i) Foreign currency transactions and translation

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in INR which is Company's functional and presentational currency.

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to Statement of Profit and Loss.

j) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Provisions and contingent liabilities

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

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

l) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

m) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

n) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

In accordance with Ind AS 108 – "Operating Segments", the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Executive Committee, comprising of Chairman and Managing Director, Whole Time Directors, Business Heads, Chief Financial Officer and Company Secretary is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 39 for segment information.

p) Financial instruments

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

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

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

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

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

The Company has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

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

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

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

q) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

r) Research and development

Expenditure on research and development activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

s) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following changes effective from accounting periods beginning on or after 1st April, 2019.

Ind AS 116- Leases

Ind AS 116 replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard recognises exemptions for leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. No significant impact is expected on implementation both for assets where company is a lessee and where company is a lessor.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

Amendment to Ind AS 12- Income taxes

Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments" has been notified which requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly.

Further, it has been clarified that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109.

Amendment to Ind AS 19- Employee benefits

Amendment requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The amendment permits early application also.

3. Property, plant and equipment and capital work-in-progress

(Rs.lakhs)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Balance as at April 1, 2017	789.26	465.35	4,043.56	28,347.84	652.73	334.09	93.60	34,726.43	330.93
Add: Additions during the year	-	-	347.73	1,596.90	181.67	60.75	29.56	2,216.61	3,487.13
Less: Disposals/Adjustments/ Capitalised during the year	-	-	2.37	187.99	29.87	4.25	2.26	226.74	2,036.35
Balance as at March 31, 2018	789.26	465.35	4,388.92	29,756.75	804.53	390.59	120.90	36,716.30	1,781.71
Add: Additions during the year	**-**	**-**	**264.34**	**7,595.35**	**88.14**	**67.61**	**34.86**	**8,050.30**	**8,189.33**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**-**	**5.92**	**231.90**	**47.51**	**19.51**	**2.83**	**307.67**	**7,725.38**
Balance as at March 31, 2019	**789.26**	**465.35**	**4,647.34**	**37,120.20**	**845.16**	**438.69**	**152.93**	**44,458.93**	**2,245.66**
Accumulated depreciation									
Balance as at April 1, 2017	-	-	163.08	1,475.47	106.39	90.23	25.22	1,860.39	-
Add: Depreciation expense during the year	-	-	178.84	1,516.89	107.08	60.51	27.47	1,890.79	-
Less: Disposals / adjustments during the year	-	-	-	12.06	8.22	0.80	0.57	21.65	-
Balance as at March 31, 2018	-	-	341.92	2,980.30	205.25	149.94	52.12	3,729.53	-
Add: Depreciation expense during the year	-	-	**211.22**	**1,640.89**	**112.37**	**59.47**	**23.15**	**2,047.10**	**-**
Less: Disposals / adjustments during the year	-	-	**4.62**	**209.94**	**15.21**	**12.93**	**0.47**	**243.17**	**-**
Balance as at March 31, 2019	-	-	**548.52**	**4,411.25**	**302.41**	**196.48**	**74.80**	**5,533.46**	**-**
Net carrying value									
As at March 31, 2019	**789.26**	**465.35**	**4,098.82**	**32,708.95**	**542.75**	**242.21**	**78.13**	**38,925.47**	**2,245.66**
As at March 31, 2018	789.26	465.35	4,047.00	26,776.45	599.28	240.65	68.78	32,986.77	1,781.71

Notes:

1) For contractual commitments with respect to Capital work-in-progress, refer note 41 (B).

2) For details on PPE mortgaged/charged against borrowings, refer note 20.

4. Intangible assets

(Rs.lakhs)

Particulars	Software	Intangible assets under development
Gross carrying amount		
Balance as at April 1, 2017	134.77	-
Add: Additions during the year	29.81	-
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2018	164.58	-
Add: Additions during the year	**22.56**	**16.50**
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2019	**187.14**	**16.50**
Accumulated amortisation		
Balance as at April 1, 2017	31.01	-
Add: Amortisation expense during the year	33.37	-
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2018	64.38	-
Add: Amortisation expense for the year	**32.44**	**-**
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2019	**96.82**	**-**
Net carrying value		
As at March 31, 2019	**90.32**	**16.50**
As at March 31, 2018	100.20	-

5. Investment in subsidiary and associate (non-current)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Investment in equity instruments		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited 2 (March 31, 2018 - 2) equity shares of face value of Rs. 10 each, fully paid up @ (Rs. 20)	**@**	@
Investment in equity instruments of subsidiary at cost		
Unquoted equity instruments		
Daurala Foods & Beverages Private Limited 75,00,000 (March 31, 2018 - 75,00,000) equity shares of face value of Rs. 10 each, fully paid up	**447.40**	447.40
Investments in equity shares of associate at cost		
Unquoted equity instruments		
DCM Hyundai Limited 19,72,000 (March 31, 2018 - 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	**166.00**	166.00
Sub total	**613.40**	613.40
Investments in preference shares		
Unquoted instruments		
Preference shares measured at Fair value through Profit and loss		
Versa Trading Limited 7,00,000 (March 31, 2018 – 7,00,000) 5% redeemable non-cumulative preference shares of Rs. 100 each fully paid	**700.00**	700.00
Impairment in the value of investments		
Versa Trading Limited	**700.00**	700.00
Sub total	**-**	-
Total	**613.40**	613.40
Aggregate value of non-current unquoted investments (net of impairment)	**613.40**	613.40
Aggregate amount of impairment in the value of investments	**700.00**	700.00

6. Loans

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
To Related Parties		
Security deposits	**49.56**	42.46
To Parties other than Related Parties		
Security deposits	**413.64**	425.78
Loans to employees	**37.04**	23.66
Others	**-**	2.20
Total	**500.24**	494.10

7. Other financial assets

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Bank deposits with maturity of more than twelve months	**88.33**	6.42
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**11.34**	153.24
Total	**99.67**	159.66

8. Income tax assets (net)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advance income tax [net of provision]	**1,393.90**	1,810.92
Total	**1,393.90**	1,810.92

9. Other non-current assets
(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Capital advances	**946.06**	436.51
Advance other than capital advances		
- Deferred rent	**16.05**	6.82
- Balance with government authorities	**14.50**	7.77
- Other advances	**7.27**	15.29
Doubtful		
Other advances	**1.30**	1.30
	985.18	467.69
Less: Loss allowance for advances	**1.30**	1.30
Total	**983.88**	466.39

10. Inventories
(Valued at lower of cost and net realisable value)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Raw material*	**4,858.00**	3,805.86
Work in progress	**1,651.02**	1,416.82
Finished goods**#	**50,737.21**	40,278.01
Stores and spares	**4,397.72**	4,104.85
Total	**61,643.95**	49,605.54

* Includes raw material in transit Rs. 456.44 lakhs (March 31, 2018: Rs. 301.71 lakhs)

** Includes finished goods in transit Rs. 1,981.61 lakhs (March 31, 2018: Rs. 263.13 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. Nil (March 31, 2018: Rs. 6,686.93 lakhs)

The write-down is included in changes in inventories of finished goods.

11. Investments

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
297651.699 (March 31, 2018: Nil) Aditya Birla Sunlife Saving Fund – Growth Regular Plan Units of Rs. 100 each	**1,098.28**	-
78762.677 l (March 31, 2018: Nil) Aditya Birla Sunlife Low duration Fund - Growth Regular Plan Units of Rs. 100 each	**353.85**	-
1579087.091 (March 31, 2018: Nil) HSBC Low duration Fund - Growth Units of Rs. 10 each	**258.05**	-
Total	**1,710.18**	-

12. Trade receivables

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured, considered good	**-**	-
Unsecured, considered good	**19,053.59**	16,488.27
Doubtful	**29.97**	29.97
	19,083.56	16,518.24
Less : Loss allowance for trade receivables	**29.97**	29.97
Total	**19,053.59**	16,488.27

The Company's exposure to credit and currency risks are disclosed in Note 46.

13. Cash and cash equivalents

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Balances with banks		
- On current accounts	**569.35**	668.43
Cash on hand	**28.21**	32.43
Total	**597.56**	700.86

14. Other bank balances

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Deposits with original maturity of more than three months but upto twelve months		
- in deposit accounts	**-**	45.35
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**471.48**	151.43
Earmarked deposits maturity within twelve months	**68.28**	191.70
Earmarked balances with banks - unpaid dividend accounts	**155.27**	139.77
Total	**695.03**	528.25

15. Loans

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
To Parties other than Related Parties		
Security deposits	**0.02**	0.02
Loans to employees (including accrued interest)	**10.09**	48.29
Inter-corporate deposits*	**-**	200.00
Others	**2.00**	73.60
Total	**12.11**	321.91

* During the previous year, the Company had given an inter corporate deposit of Rs. 200 lakhs at the market rate of interest to a party for its operational requirement which was receivable on demand. This inter corporate deposit has been received back during the year

16. Other financial assets
(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Interest accrued on term deposits	**60.71**	58.21
Unbilled revenue	**-**	663.49
Claims receivable	**234.93**	99.99
Others	**13.22**	64.90
Total	**308.86**	886.59

17. Other current assets
(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advances to contractors	**541.59**	447.80
Other advances		
- Advance to employees	**17.58**	23.04
- Balance with government authorities	**1,835.94**	1,658.00
- Prepaid transaction cost	**79.94**	32.68
- Prepaid expense	**244.00**	170.99
- Others	**87.25**	98.09
Total	**2,806.30**	2,430.60

18. Equity share capital

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
a) Authorised		
6,50,00,000 (March 31, 2018: 6,50,00,000) equity shares of Rs. 10 each	**6,500.00**	6,500.00
b) Issued, subscribed and fully paid-up		
1,73,98,437 (March 31, 2018: 1,73,98,437) equity shares of Rs. 10 each fully paid-up	**1,739.84**	1,739.84

c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	Number of shares	**Amount Rs. lakhs**	Number of shares	Amount Rs. lakhs
Equity shares				
At the commencement of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84
Add: Shares issued during the year	**-**	**-**	-	-
At the end of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84

d) Terms, rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares	% of holding	Number of shares	% of holding
Bantam Enterprises Private Limited	**13,56,968**	**7.80%**	13,45,320	7.73%
HB Portfolio Limited	**29,88,173**	**17.17%**	33,17,170	19.07%
Life Insurance Corporation of India	**12,40,679**	**7.13%**	12,40,679	7.13%
Lily Commercial Private Limited	**11,50,323**	**6.61%**	10,44,323	6.00%
Versa Trading Limited	**22,24,725**	**12.79%**	22,24,725	12.79%

19. Other equity

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
a. Amalgamation reserve		
Balance as at the beginning and at the end of the year	**1,411.38**	1,411.38
b. General reserve		
Balance as at the beginning and at the end of the year	**13,465.60**	13,465.60
c. Capital redemption reserve		
Balance as at the beginning and at the end of the year	**0.10**	0.10
d. Securities Premium account		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
e. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**20,769.78**	16,485.56
Add: Profit for the year	**7,357.66**	5,755.77
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax**	**(80.68)**	(110.43)
Less: Appropriations		
Dividend on equity shares [Dividend per share Rs. 4.00 (March 31, 2018: Rs. 6.50] *	**(695.94)**	(1,130.90)
Tax on dividend *	**(143.05)**	(230.22)
Balance at the end of the year	**27,207.77**	20,769.78
Total	**45,491.53**	39,053.54

Nature and purpose of reserve

a. Amalgamation reserve
Amalgation reserve has been created on amalgamation of Daurala Organics Limited with the Company.

b. General reserve
Profits earned by the company are transferred to General reserve as decided.

c. Capital redemption reserve
Created on redemption of preference shares as per requirements of the Companies Act, 1956.

d. Securities premium reserve
Securities premium reserve has been created on account of the premium received on issue of shares and capital and reorganisation reserve reclassified as share premium in the year ended March 31, 1993.

* The Board of Directors have proposed a dividend of Rs. 6.00 Per share for the financial year 2018-19 (2017-18 - Rs. 4.00 per share) aggregating to Rs.1258.48 lakhs (including corporate dividend tax). The proposed dividend for 2018-19 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these Standalone Financial Statements.

** Included in 'Items of other comprehensive income' in statement of changes in equity.

20. Borrowings

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured loans		
Term loans from banks	**11,039.92**	4,969.62
Term loans from others	**199.10**	227.54
Unsecured loans		
Public Deposits	**557.63**	655.49
	11,796.65	5,852.65
Less: Current maturities of borrowings	**3,475.03**	2,650.09
Total	**8,321.62**	3,202.56
Details of current maturities of Borrowings:		
Secured loans		
Term loans from banks	**3,177.51**	2,370.79
Term loans from others	**56.89**	28.44
Unsecured loans		
Public Deposits	**240.63**	250.86
	3,475.03	2,650.09

Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2019:

From Banks

Secured borrowings:

a) Rs.205.12 lakhs (March 31,2018: Rs.414.30 Lakhs), Rs.1853.88 lakhs (March 31,2018: Rs.2461.97 lakhs) and Rs.1967.31 lakhs (March 31,2018: Rs.634.43 lakhs) carrying interest between 9.30% p.a. to 11.20% p.a., repayable in 4, 12 and 12 quarterly installments respectively, are secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

b) Nil (March 31,2018: Rs.632.51 lakhs) and Rs.6.53 lakhs (March 31,2018: Rs.84.86 lakhs) carrying interest of 12% p.a., repayable in 0 and 1 monthly installments respectively, are secured by residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

c) Nil (March 31,2018: Rs.519.59 lakhs), repayable in 0 installment, was secured by a first mortgage and charge on all the immovable and movable properties of the Company excluding all assets of Daurala Organics, a unit of the Company, subject to prior charges created / to be created in favour of the Company's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the Company excluding stocks pledged with Distt. Co-operative Banks.

d) Rs.97.58 lakhs (March 31,2018: Rs.197.00 lakhs) carrying interest of 9.50% p.a., repayable in 4 quarterly installments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

e) Rs.1052.51 lakhs (March 31,2018: Nil) carrying interest of 9.50% p.a., repayable in 16 quarterly installments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.

f) Rs.5424.15 lakhs (March 31,2018: Nil) carrying interest of 5% p.a., repayable in 60 monthly installments, is secured by first charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

g) Rs.242.78 lakhs (March 31,2018: Nil) and Rs.174.76 lakhs (March 31,2018: Nil) carrying interest of 9.30% p.a., repayable in 16 quarterly installments, are secured by first charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

h) Rs.15.30 lakhs (March 31,2018: Rs.24.96 lakhs) currently carrying interest of 10.45% p.a., repayable in 18 monthly installments, is secured by hypothecation of specific assets.

From Others:

Secured borrowings:

Rs.199.10 lakhs (March 31,2018: Rs.227.54 lakhs) carrying interest of 4.25% p.a., repayable in 7 half yearly installments, is secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.

Public deposit:

Unsecured borrowings:

Rs.557.63 lakhs (March 31,2018: Rs.655.49 lakhs) carrying interest of 9.5% p.a to 10% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

21. Other financial liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Interest accrued but not due on borrowings	**-**	30.83
Deposits from contractors and others	**11.90**	9.98
Others	**62.03**	50.16
Total	**73.93**	90.97

22. Provisions

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Gratuity	**196.58**	179.79
- Compensated absences	**877.15**	741.17
Provision for contingencies*	**100.00**	100.00
Total	**1,173.73**	1,020.96

* Provision for contingencies of Rs. 100 lakhs (March 31, 2018: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company.

23. Other non-current liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Others	**73.28**	32.28
Total	**73.28**	32.28

24. Borrowings

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**34,791.90**	35,940.76
Unsecured loans		
Others - loans repayable on demand	**-**	150.00
Total	**34,791.90**	36,090.76

* Secured by hypothecation of stocks, stores, book debts and receivables, both present and future / pledge of stocks / third pari passu charge on some of the Company's property, plant and equipment. Some of these are further secured by way of second / third pari-passu mortgage and charge on the property, plant and equipment, both present and future.

25. Trade payables

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Trade payables to related parties	**699.70**	542.00
Other trade payables*		
- Total outstanding dues of Micro and Small Enterprises	**337.19**	-
- Total outstanding dues other than Micro and Small Enterprises	**29,844.47**	19,252.95
Total	**30,881.36**	19,794.95

* Refer note 49 for Micro and Small enterprises.

Notes:

a) Includes acceptances Rs. 3,111.26 lakhs (March 31, 2018 Rs. 2,789.98 lakhs).

b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 46.

26. Other financial liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Creditors for capital purchases	**384.90**	175.40
Current maturities of long term borrowings (refer Note 20)	**3,475.03**	2,650.09
Security deposits	**2.60**	2.60
Interest accrued but not due on borrowings	**85.79**	96.77
Unclaimed dividends	**155.27**	139.77
Unclaimed deposits and interest accrued thereon	**2.66**	-
Other payables		
- Deposits from contractors and others	**266.00**	273.50
- Others	**42.65**	40.40
Total	**4,414.90**	3,378.53

27. Other current liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advances from customers and others	**144.73**	240.47
Statutory dues payable	**1,154.66**	974.16
Others	**154.97**	141.22
Total	**1,454.36**	1,355.85

28. Provisions

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	**383.20**	408.24
Total	**383.20**	408.24

29. Revenue from operations

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Sale of products (including excise duty)*		
Export	**47,154.87**	38,630.26
Domestic	**1,14,332.03**	1,27,328.28
Sale of services		
Processing charges	**3,026.41**	2,711.99
Others	**38.70**	-
Other operating revenue		
Sale of scrap	**872.09**	491.55
Duty draw back, export benefits and other government assistance	**2,707.41**	1,292.99
Sale of renewable energy certificates	**759.08**	2,139.32
Others	**9.59**	32.04
Total	**1,68,900.18**	1,72,626.43

* Revenue from operations for the previous year is not comparable with the current year as the current year's Revenue from operations is net of GST whereas excise duty is presented as expense in the previous year upto June 30, 2017.

30. Other income

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	**231.39**	83.91
Unwinding of discount on security deposits	**0.56**	4.37
Interest subsidy *	**286.05**	350.42
Provisions/liabilities no longer required, written back	**6.97**	1.42
Rental income	**36.17**	37.24
Profit on sale of property, plant and equipment (net)	**52.68**	-
Profit on sale of current investments	**175.78**	60.23
Net change in fair value of financial assets measured at fair value through profit or loss	**64.07**	-
Gain on foreign exchange fluctuation (net)	**840.68**	841.39
Miscellaneous income	**124.12**	159.77
Total	**1,818.47**	1,538.75

* Refer note no.50 .

31. Cost of material consumed

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Raw materials at the beginning of the year	**3,805.86**	6,319.78
Add: Purchases	**1,02,786.51**	1,00,082.75
	1,06,592.37	1,06,402.53
Less: Raw materials at the end of the year	**4,858.00**	3,805.86
Total	**1,01,734.37**	1,02,596.67
Particulars of materials consumed are as under:		
Sugarcane	**66,084.56**	73,250.95
Wood pulp	**8,519.70**	8,003.44
Others	**27,130.11**	21,342.28
Total	**1,01,734.37**	1,02,596.67

32. Purchase of traded goods

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Grain spirits	**13,151.74**	12,089.89
Total	**13,151.74**	12,089.89

33. Changes in inventories of finished goods and work-in-progress

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Opening stock		
Finished goods	**40,278.01**	44,677.80
Work-in-progress	**1,416.82**	1,372.29
Total	**41,694.83**	46,050.09
Closing stock		
Finished goods	**50,737.21**	40,278.01
Work-in-progress	**1,651.02**	1,416.82
Total	**52,388.23**	41,694.83
	(10,693.40)	4,355.26

Particulars of stocks of finished goods and work-in-progress are as under :

Finished goods		
Sugar	**47,751.22**	37,603.24
Alcohol	**247.57**	744.77
Organic/ Fine chemicals	**1,072.35**	847.85
Industrial fibers	**1,666.07**	1,082.15
Total	**50,737.21**	40,278.01
Work-in-progress		
Sugar	**641.06**	554.77
Alcohol	**18.72**	19.06
Organic/ Fine chemicals	**581.81**	513.34
Industrial fibers	**409.43**	329.65
Total	**1,651.02**	1,416.82

34. Employee benefits expense

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Salaries, wages and bonus	**11,659.45**	11,058.99
Contribution to provident and other funds	**1,285.96**	1,107.30
Staff welfare expenses	**534.76**	464.45
Total	**13,480.17**	12,630.74

Refer note 44 for disclosure on gratuity.

35. Finance costs

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Interest expense	**2,301.54**	2,758.65
Other borrowing costs	**98.64**	55.67
Total	**2,400.18**	2,814.32

36. Depreciation and amortisation expense

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Depreciation on property, plant and equipment	**2,047.10**	1,890.79
Amortisation on intangible assets	**32.44**	33.37
Total	**2,079.54**	1,924.16

37. Other expenses

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Stores and spares	**8,848.24**	8,650.59
Power and fuel	**10,984.47**	8,825.16
Repair and maintenance		
- Buildings	**674.33**	1,004.34
- Plant and machinery	**4,375.68**	3,798.65
Rent *	**626.53**	599.70
Auditors' remuneration		
- As auditors	**25.00**	25.41
- Limited review of unaudited financial results	**22.50**	24.24
- Verification of statements and other records	**12.50**	7.97
- Out-of-pocket expenses	**3.35**	2.45
Insurance	**164.19**	175.89
Rates and taxes	**182.03**	33.75
(Decrease) / Increase in excise duty on finished goods	**-**	(2,882.20)
Freight and transport	**1,273.23**	1,013.87
Commission to selling agents	**2,180.83**	2,005.45
Loss on Export obligation**	**4,125.87**	-
Loss on sale of property, plant and equipment (net)	**-**	43.77
Donation	**0.20**	-
Corporate social responsibility (refer note below)	**172.00**	134.24
Bad debts and advances provided / written off	**-**	4.03
Miscellaneous expense	**5,855.80**	5,231.41
Total	**39,526.75**	28,698.72

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Company during the year	**171.66**	133.99
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**31.44**	17.10
(ii) On purposes other than (i) above	**140.56**	117.14

* Refer note no 40.

** Consequent to Orders of Central Government allocating sugar factory-wise Minimum Indicative Export Quotas (MIEQ) of sugar for export.

38. Income tax expense

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Current tax expense	**1,948.03**	1,496.34
Deferred tax charge/ (credit)*	**68.66**	(379.98)
Tax relating to earlier years		
- Income tax	**-**	-
- Deferred tax charge/ (credit)	**(335.05)**	-
Income tax expense reported in the statement of profit and loss	**1,681.64**	1,116.36

* including MAT credit of Rs.888.70 lakhs (March 31, 2018: Rs.368.18 lakhs)

B. Amounts recognised in other comprehensive Income/ (expense)

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**43.34**	58.45
Income tax charged to other comprehensive income/(expense)	**43.34**	58.45

C. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended March 31, 2019 and March 31, 2018:

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Rate	**Rs. lakh**	Rate	Rs. lakh
Profit before tax from continuing operations, including OCI	**34.94%**	**8,915.28**	34.61%	6,703.25
Tax using the Company's domestic tax rate		**3,115.36**		2,319.86
Tax effect of:				
Non-deductible expenses	**0.64%**	**57.00**	0.72%	48.50
Non-taxable income	**0.00%**	**-**	0.00%	-
Tax-exempt income	**-17.64%**	**(1,572.48)**	-19.50%	(1,307.14)
Change in estimates	**0.25%**	**22.39**	0.00%	-
Others	**0.18%**	**16.03**	-0.05%	(3.31)
Effective tax rate	**18.38%**	**1,638.30**	15.78%	1,057.91

D. Deferred tax assets/liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Accrued expense deductible on payment	**275.17**	742.12	-	-	**275.17**	742.12
Provision for gratuity and compensated absences	**509.11**	322.17	-	-	**509.11**	322.17
Loss allowance for trade receivables	**10.47**	10.37	-	-	**10.47**	10.37
Loss allowance for other assets	**0.45**	0.45	-	-	**0.45**	0.45
Difference in book written down value and tax written down value of property, plant and equipment	**-**	-	**7,701.85**	7,067.51	**(7,701.85)**	(7,067.51)
Others	**22.51**	22.29	-	-	**22.51**	22.29
	817.71	1,097.40	**7,701.85**	7,067.51	**(6,884.14)**	(5,970.11)
MAT credit entitlement *	**3,987.17**	2,763.42	-	-	**3,987.17**	2,763.42
Net Deferred tax liability	**4,804.88**	3,860.82	**7,701.85**	7,067.51	**(2,896.97)**	(3,206.69)

* MAT credit entitlement in the Statement of profit and loss forms part of Deferred tax (credit) / charge for the year.

E. Availability of MAT Credit is as under :

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Expire Year	**Gross amount**	Gross amount
2027-28	**282.24**	282.24
2028-29	**980.00**	980.00
2029-30	**282.00**	282.00
2030-31	**851.00**	851.00
2032-33	**703.23**	368.18
2033-34	**888.70**	-
Total	**3,987.17**	2,763.42

39. Operating segments

A. Basis for segmentation

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013 , the Company has identified three business segments viz. Sugar, Industrial fibres and related products, and Chemicals. The above segments have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. For each of the segments, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The CODM monitors the operating results separately for the purpose of making decisions about resource allocation and performance measurement (Refer Note 2B (O)).

The following summary describes the operations in each of the Company's reportable segments:

Sugar	Comprising sugar, power and alcohols
Industrial fibres and related products	Comprising rayon, synthetic yarn, cord, fabric etc.
Chemicals	Comprising organics & fine chemicals

B. Information about reportable segments

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Segment revenue										
- External revenues	**92,680.41**	1,07,241.02	**38,344.59**	35,481.01	**33,527.01**	25,948.50	**-**	-	**1,64,552.01**	1,68,670.53
- Inter segment revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
- Other operating revenue	**2,384.25**	2,410.98	**1,450.38**	1,180.61	**513.54**	364.31	**-**	-	**4,348.17**	3,955.90
Subtotal	**95,064.66**	1,09,652.00	**39,794.97**	36,661.62	**34,040.55**	26,312.81	**-**	-	**1,68,900.18**	1,72,626.43
- Other income	**210.52**	48.79	**597.12**	841.41	**261.39**	149.61	**(3.06)**	(3.06)	**1,065.97**	1,036.75
- Unallocable income									**752.50**	502.00
Total revenue	**95,275.18**	1,09,700.79	**40,392.09**	37,503.03	**34,301.94**	26,462.42	**(3.06)**	(3.06)	**1,70,718.65**	1,74,165.18
Segment results	**7,259.24**	7,682.38	**3,986.78**	2,944.20	**3,204.39**	1,407.68			**14,450.41**	12,034.26
Unallocated expenses (net of unallocated income)									**3,010.93**	2,347.81
Operating profit/(loss)									**11,439.48**	9,686.45
Finance costs									**2,400.18**	2,814.32
Profit/(loss) before tax									**9,039.30**	6,872.13
Current tax expense									**1,948.03**	1,496.34
Deferred tax (credit)/ charge									**68.66**	(379.98)
Tax relating to earlier years									**(335.05)**	-
Net profit/(loss) after tax									**7,357.66**	5,755.77
Capital expenditure during the year	**4,754.98**	1,118.30	**2,523.64**	1,967.58	**1,232.44**	772.77				
Depreciation	**677.98**	633.53	**921.91**	848.43	**424.42**	396.53				
Non cash expense other than depreciation	**-**	4.51	**-**	3.75	**-**	148.16				

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Segment assets	**74,583.29**	60,786.55	**34,443.90**	29,338.84	**16,851.40**	14,678.84	**-**	-	**1,25,878.59**	1,04,804.23
Unallocated assets									**5,818.03**	4,570.94
Total assets	**74,583.29**	60,786.55	**34,443.90**	29,338.84	**16,851.40**	14,678.84	**-**	-	**1,31,696.62**	1,09,375.17
Segment liabilities	**18,349.33**	9,579.00	**10,066.23**	8,469.00	**4,258.18**	3,845.45	**-**	-	**32,673.74**	21,893.45
Share capital and reserves									**47,231.37**	40,793.38
Unallocated liabilities									**51,791.51**	46,688.34
Total liabilities	**18,349.33**	9,579.00	**10,066.23**	8,469.00	**4,258.18**	3,845.45	**-**	-	**1,31,696.62**	1,09,375.17

C. Reconciliations of information on reportable segments to Ind AS measures

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
i Revenues		
Total revenue for reportable segments	**1,69,969.21**	1,73,666.24
Unallocated amounts:		
Revenue for other segments	**752.50**	502.00
Inter-segment elimination	**(3.06)**	(3.06)
Total revenue	**1,70,718.65**	1,74,165.18

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
ii Profit before tax		
Total profit before tax for reportable segments	**14,450.41**	12,034.26
Unallocated cost:		
Finance costs	**(2,400.18)**	(2,814.32)
Other unallocated amounts	**(3,010.93)**	(2,347.81)
Profit before tax as per statement of profit and loss	**9,039.30**	6,872.13

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
iii Assets		
Total assets for reportable segments	**1,25,878.59**	1,04,804.23
Unallocated amounts:		
Investments	**2,323.58**	613.40
Corporate assets	**3,494.45**	3,957.54
Total assets as per the balance sheet	**1,31,696.62**	1,09,375.17

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
iv Liabilities		
Total liabilities for reportable segments	**32,673.74**	21,893.45
Unallocated amounts:		
Share capital	**1,739.84**	1,739.84
Reserves and Surplus	**45,491.53**	39,053.54
Unallocated corporate liabilities	**51,791.51**	46,688.34
Total liabilities as per the balance sheet	**1,31,696.62**	1,09,375.17

D. Geographical information

The geographical information analyses the Company's revenues and assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
i Revenues		
(a) India	**1,23,566.84**	1,35,537.98
(b) Other countries		
Europe	**14,130.72**	14,096.57
China	**12,514.73**	10,126.17
Rest of the World	**20,509.42**	14,407.52
Total (b)	**47,154.87**	38,630.26
(c) Inter-segment elimination	**(3.06)**	(3.06)
Total (a+b+c)	**1,70,718.65**	1,74,165.18

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
ii Assets		
(a) India	**1,18,124.74**	99,890.12
(b) Other countries		
Europe	**3,365.55**	1,593.95
China	**5,231.09**	3,312.71
Rest of the World	**4,975.24**	4,578.39
Total (b)	**13,571.88**	9,485.05
Total (a+b)	**1,31,696.62**	1,09,375.17

E. Major customer

Revenue from transactions with any single customer does not exceed 10 per cent or more of the company's total revenue.

40. Operating lease - As a lessee

The Company has entered into operating leases agreements for various premises taken for accommodation of Company's officers / directors and various offices of the Company. The lease rental expense recognised in the Statement of Profit and Loss for the period in respect of leases is Rs. 626.53 lakhs (March 31, 2018: Rs. 599.70 lakhs).

41. Contingent liabilities and commitments

A. Contingent liabilities*

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Income tax matters**	**1,708.75**	1,708.75
Excise and Service tax matters	**108.18**	736.06
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**755.16**	640.42
Sales Tax matters	**55.06**	75.59
Sugarcane related matters	**4,545.26**	4,545.26
Total	**7,172.41**	7,706.08

* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

** Order passed in favour of the company by Income Tax Appellate Tribunal (ITAT). It can be appealed by Income Tax Department to the High Court within prescribed time.

The company has not recognised any additional provident fund liability pursuant to a recent judgement dated 28th Febuary, 2019 by the Hon'ble Supreme Court pertaining to treatment of certain allowances as part of wages, as the applicability/impact is being ascertained and the date from which the judgment will be applicable is uncertain.

B. Commitments

a. Capital commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 3910.68 lakhs (March 31, 2018: Rs. 2492.74 lakhs).

b. Other commitments: The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in normal course of business. The Company does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

42. Proceedings in a Petition challenging the Preferential Issue of equity warrants by the Company filed by a shareholder before the Hon'ble Company Law Board (now National Company Law Tribunal) are continuing since November, 2007.

43. Earnings per share

Basic and diluted earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit/ (loss) after tax attributable to equity shareholders	Rs. lakhs	**7,357.66**	5,755.77
Weighted average number of equity shares outstanding during the year	Numbers	**1,73,98,437**	1,73,98,437
Nominal value per share	Rs.	**10**	10
Basic and diluted earnings/ (loss) per share	Rs.	**42.29**	33.08

44. Employee benefits

A. Defined Contribution plans

Rs. 754.04 lakhs (March 31, 2018: Rs. 705.54 lakhs) for provident fund contribution and Rs. 178.92 lakhs (March 31, 2018: Rs. 163.85 lakhs) for superannuation fund contribution have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Company.

B. Defined benefit plans

a) Liability for gratuity, privilege leaves and medical leaves is determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.

Gratuity:

Gratuity scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

The following table sets out the status of gratuity obligation

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Net Gratuity liability / (asset)	**196.58**	179.79
Non current	**196.58**	179.79
Current	**-**	-
	196.58	179.79

For details about the related employee Gratuity expenses, refer note 34.

(i) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for gratuity liability and its components

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**3,558.15**	3,416.40
Current service cost	**209.29**	194.71
Interest cost	**275.76**	247.69
Actuarial (gains) / losses recognised in other comprehensive income	**161.69**	39.08
Benefits paid	**(349.75)**	(339.73)
Balance at the end of the year	**3,855.14**	3,558.15

(ii) Reconciliation of the plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assets and its components

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**3,378.36**	3,449.74
Expected return on plan assets	**261.82**	250.11
Contribution by the company	**11.65**	13.99
Benefits paid	**(30.94)**	(205.68)
Actuarial (gains) / losses recognised in other comprehensive income	**37.67**	(129.80)
Balance at the end of the year	**3,658.56**	3,378.36

(iii) Expense recognized in profit or loss

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Current service cost	**209.29**	194.71
Interest cost	**275.76**	247.69
Expected return on plan assets	**(261.82)**	(250.11)
Actuarial (gains) / losses recognised in other comprehensive income	**124.02**	168.88
	347.25	361.17

(iv) Constitution of plan assets

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Other than equity, debt, property and bank account	**-**	-
Funded with LIC*	**3,658.56**	3,378.36

* The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of Investments maintained by Life Insurance Corporation are not made available and have therefore not been disclosed.

(v) Remeasurements recognized in other comprehensive income

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Actuarial (gain) / loss on gratuity obligation	**124.02**	168.88

(vi) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assumptions		
Discount rate	**7.65%**	7.75%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**7.75%**	7.25%
Expected average remaining working lives of employees (years)	**16.69**	16.27
Demographic assumptions		
Mortality rate	**IALM (2012-14)**	IALM (2006-08)
Withdrawal rate	**Up to 30 years- 3%**	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	**58 years and 60 years**	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs.247.35 lakhs (March 31, 2019: Rs. 230.06 lakhs).

(vii) Sensitivity analysis

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase.

Sensitivity of gross benefit obligation as mentioned above, in case of change in significant assumptions would be as under:

Particulars	For the year ended 31.03.2019 Rs. lakhs		For the year ended 31.03.2018 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(449.96)**	**176.32**	(457.66)	212.14
Future salary growth (0.50%)	**181.08**	**(462.11)**	217.86	(470.02)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality & withdrawls are insignificant & hence not considered in sensitivity anaylsis disclosed.

(viii) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Within 1 year	**75.66**	840.50
1 year to 5 years	**1,716.74**	1,215.38
More than 5 years	**2,123.22**	2,194.14

C. Compensated absences:

The obligation of compensated absences in respect of the employees of the Company as at March 31, 2019 works out to Rs. 1,260.35 lakhs (March 31, 2018: Rs. 1,149.41 lakhs)

D. Risk exposure

These defined benefit plans typically expose the Company to actuarial risks as under:

a) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk

A decrease in bond interest rate will increase the plan liability. However, this shall be partially off-set by increase in return as per debt investments.

c) Longevity risk

The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

d) Salary risk

Higher than expected increase in salary will increase the defined benefit obligation.

45. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Names of related parties and nature of related party relationship

Subsidiary: Daurala Foods and Beverages Private Limited

Associate: DCM Hyundai Limited

Key management personnel

Mr. S.B. Mathur, Chairman
Mr. Tilak Dhar, Senior Managing Director
Mr. Alok B.Shriram, Joint Managing Director
Mr. Madhav B.Shriram, Deputy Managing Director
Mr. K.N. Rao, Director & CEO Rayons
Mr. P.R. Khanna, Independent Director
Mr. Ravinder Narain, Independent Director
Mr. S.C. Kumar, Independent Director
Mr. C. Vikas Rao, Independent Director
Ms.V. Kavitha Dutt , Independent Director
Mr. Sanjay C. Kirloskar, Independent Director (w.e.f. 01/09/2018)
Mr. N.K. Jain, Chief Financial Officer
Mr. Y.D. Gupta, Chief General Manager & Company Secretary

Relatives/HUF of key management personnel

M/s. Bansi Dhar & Sons - HUF
Mr. Akshay Dhar
Ms. Kanika Shriram
Mr. Rudra Shriram
Mr. Rohan Shriram
Mr. Uday Shriram
Mrs. K. Rao
Mrs. Anita Gupta
Mrs. Manju Jain
Mr. Nirmal Kumar Jain
Mrs. Maya Rani Jain
Mr. Rajat Jain
Mrs. Kiran Khanna
Mr. P. R. Khanna (HUF)

Others (Enterprises over which key management personnel or their relatives are able to exercise significant influence)

Bantam Enterprises Private Limited
H.R. Travels Private Limited
Hindustan Vaccum Glass Private Limited

B. Transactions with related parties:

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**132.45**	128.16
Mrs. K. Rao	**4.08**	3.90
Mrs. Manju Jain	**11.76**	11.76
Mrs Anita Gupta	**7.54**	7.54
Ms. Kanika Shriram	**11.68**	–
Others		
Bantam Enterprises Private Limited	**32.09**	32.17
H.R. Travels Private Limited	**7.65**	7.65
Total	**207.25**	191.18
Interest expense		
Key management personnel		
Mr. Alok B. Shriram	**2.01**	4.55
Relatives of Key management personnel		
Mr. Rohan Shriram	**1.96**	0.77
Ms. Kanika Shriram	**0.18**	0.68
Mr. Rudra Shriram	**0.25**	0.22
Mr. Uday Shriram	**1.09**	0.37
Mrs. Anita Gupta	**0.82**	0.67
Mrs. Manju Jain	**9.20**	8.90
Mr. Nirmal Kumar Jain	**3.21**	3.21
Mrs. Maya Rani Jain	**1.27**	1.27
Independent Directors & their relatives/HUF		
Mr. P. R. Khanna	**1.03**	1.05
Mr. P. R. Khanna (HUF)	**1.05**	1.05
Mrs. Kiran Khanna	**1.81**	1.84
Total	**23.88**	24.58
Purchase of goods		
Others		
Hindustan Vaccum Glass Private Limited	**-**	30.02
Other expenses		
Others		
Hindustan Vaccum Glass Private Limited	**46.27**	-
Purchase of property, plant and equipment		
Others		
Hindustan Vaccum Glass Private Limited	**11.01**	-
Public deposits received		
Key management personnel		
Mr. Alok B. Shriram	**-**	75.00
Relatives of key management personnel		
Mr. Rohan Shriram	**-**	18.00
Ms. Kanika Shriram	**-**	5.00
Mr. Uday Shriram	**-**	10.00
Mrs. Anita Gupta	**-**	2.00
Mrs. Manju Jain	**-**	2.00
Total	**-**	112.00

Security deposit paid		
Relatives/HUF of key management personnel		
Ms. Kanika Shriram	**7.01**	-
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs Manju Jain	**-**	1.39
Mrs Anita Gupta	**-**	0.66
Total	**-**	2.05
Public Deposits paid		
Key Management Personnel		
Mr. Alok B. Shriram	**75.00**	-
Relatives of Key Management Personnel		
Ms. Kanika Shriram	**8.00**	-
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Tilak Dhar	**296.20**	227.59
Mr. Alok B.Shriram	**296.20**	227.58
Mr. Madhav B.Shriram	**296.20**	227.58
Mr. K.N. Rao	**61.93**	57.39
Mr. N. K. Jain	**41.03**	39.69
Mr. Y. D. Gupta	**26.76**	24.98
Relatives of key management personnel	**82.15**	60.00
Total	**1,100.47**	864.81
Post-employment defined benefit plan		
Gratuity		
Mr. Tilak Dhar	**56.10**	6.02
Mr. Alok B.Shriram	**41.65**	4.89
Mr. Madhav B.Shriram	**43.04**	4.65
Mr. K.N. Rao	**4.81**	4.22
Mr. N.K. Jain	**3.18**	1.92
Mr. Y.D. Gupta	**2.76**	3.61
Relatives of key management personnel	**2.21**	3.83
Total	**153.75**	29.14
Other long term defined benefit plan		
Compensated absences		
Mr. Tilak Dhar	**21.03**	3.79
Mr. Alok B.Shriram	**20.70**	3.11
Mr. Madhav B.Shriram	**21.60**	2.92
Mr. K.N. Rao	**1.24**	2.42
Mr. N. K. Jain	**1.40**	(0.49)
Mr. Y. D. Gupta	**0.65**	1.23
Relatives of key management personnel	**2.84**	5.34
Total	**69.46**	18.32
Commission to Independent Directors		
Mr. P. R. Khanna	**17.05**	14.26
Mr. S. B. Mathur	**17.05**	13.38
Mr. Ravinder Narain	**14.95**	12.50
Mr. S. C. Kumar	**17.05**	14.26
Mr C Vikas Rao	**12.85**	10.73
Ms.V. Kavitha Dutt	**12.85**	10.73
Mr. Sanjay C. Kirloskar	**6.96**	-
Total	**98.76**	75.86
Total compensation paid to key management personnel	**1,422.44**	988.13

Balances with related parties

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Receivable		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**35.10**	35.10
Mrs. K. Rao	**1.02**	0.93
Mrs. Manju Jain	**3.92**	3.92
Mrs. Anita Gupta	**2.51**	2.51
Ms. Kanika Shriram	**7.01**	-
Others		
Hindustan Vaccum Glass Private Limited	**-**	19.35
Total	**49.56**	61.81
Payables		
Public deposits including interest accrued		
Key management personnel		
Mr. Alok B. Shriram	**-**	79.55
Relatives/HUF of key management personnel		
Mr. Rohan Shriram	**20.73**	18.77
Ms. Kanika Shriram	**-**	8.72
Mr. Rudra Shriram	**2.50**	2.25
Mr. Uday Shriram	**11.46**	10.37
Mrs. Anita Gupta	**7.23**	7.70
Mrs. Manju Jain	**84.82**	102.54
Mr. Nirmal Kumar Jain	**32.06**	32.06
Mrs. Maya Rani Jain	**12.70**	12.70
Independent Directors & their relatives		
Mr. P. R. Khanna	**10.00**	10.00
Mr. P. R. Khanna (HUF)	**10.00**	10.00
Mrs. Kiran Khanna	**17.50**	17.50
Total	**209.00**	312.16
Trade payables		
Others		
Hindustan Vaccum Glass Private Limited	**23.95**	-
Commission to Independent Directors		
Mr. P. R. Khanna	**17.05**	14.26
Mr. S. B. Mathur	**17.05**	13.38
Mr. Ravinder Narain	**14.95**	12.50
Mr. S. C. Kumar	**17.05**	14.26
Mr C Vikas Rao	**12.85**	10.73
Ms.V. Kavitha Dutt	**12.85**	10.73
Mr. Sanjay C. Kirloskar	**6.96**	-
Total	**98.76**	75.86
Remuneration		
Key management personnel		
Mr. Tilak Dhar	**186.55**	153.28
Mr. Alok B.Shriram	**193.64**	155.03
Mr. Madhav B.Shriram	**196.80**	157.83
Total	**576.99**	466.14

Note:

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

46. Financial instruments - Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on March 31, 2018

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amor-tised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	494.10	**494.10**	-	-	494.10
(ii) Other financial assets*	-	-	159.66	**159.66**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	16,488.27	**16,488.27**	-	-	-
(iii) Cash and cash equivalents*	-	-	700.86	**700.86**	-	-	-
(iv) Other bank balances *	-	-	528.25	**528.25**	-	-	-
(v) Loans*	-	-	321.91	**321.91**	-	-	-
(vi) Other financial assets*	-	-	886.59	**886.59**	-	-	-
Total	-	-	19,579.64	**19,579.64**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,202.56	**3,202.56**	-	-	3,202.56
(ii) Other financial liabilities*	-	-	90.97	**90.97**	-	-	90.97
Current							
(i) Borrowings#	-	-	36,090.76	**36,090.76**	-	-	-
(ii) Trade payables*	-	-	19,794.95	**19,794.95**	-	-	-
(iii) Other financial liabilities*	-	-	3,378.53	**3,378.53**	-	-	-
Total	-	-	62,557.77	**62,557.77**			

ii. As on March 31, 2019

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amor-tised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	500.24	**500.24**	-	-	500.24
(ii) Other financial assets*	-	-	99.67	**99.67**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	1,710.18	-	-	**1,710.18**	1,710.18	-	-
(ii) Trade receivables*	-	-	19,053.59	**19,053.59**	-	-	-
(iii) Cash and cash equivalents*	-	-	597.56	**597.56**	-	-	-
(iv) Other bank balances*	-	-	695.03	**695.03**	-	-	-
(v) Loans*	-	-	12.11	**12.11**	-	-	-
(vi) Other financial assets*	-	-	308.85	**308.85**	-	-	-
Total	1,710.18	-	21,267.06	**22,977.24**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	8,321.62	**8,321.62**	-	-	8321.62
(ii) Other financial liabilities*	-	-	73.93	**73.93**	-	-	73.93
Current							
(i) Borrowings#	-	-	34,791.90	**34,791.90**	-	-	-
(ii) Trade payables*	-	-	30,881.36	**30,881.36**	-	-	-
(iii) Other financial liabilities*	-	-	4,414.90	**4,414.90**	-	-	-
Total	-	-	78,483.71	**78,483.71**			

The Company's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represents security deposits given to various parties, loans and advances to employees and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2019 and March 31, 2018.

Valuation

Following financial instruments are remeasured at fair value as under :

(a) The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.

(b) All foreign currency denominated assets are translated using exchange rate at reporting date.

Risk Management

The Company Manages risk arising from financial instruments as under :

b. Financial risk management

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Investments	**2,323.58**	613.40
Trade receivables	**19,053.59**	16,488.27
Cash and cash equivalents	**597.56**	700.86
Other bank balances	**695.03**	528.25
Loans	**512.35**	816.01
Other financial assets	**408.53**	1,046.25

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to outstanding receivables. The company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the company had long standing satisfactory dealings.

The Company's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount	
Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
1-90 days past due *	**7,183.28**	5,125.98
91 to 180 days past due	**19.32**	3.29
More than 180 days past due #	**12.59**	0.02
Not due	**11,838.40**	11,358.98
	19,053.59	16,488.27

* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

\# The company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables both domestic and overseas, are from parties with whom the company had long standing satisfactory dealings.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**29.97**	29.97
Impairment loss recognised / (reversed)	**-**	-
Amount written off	**-**	-
Balance at the end of the year	**29.97**	29.97

Note

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally transacts with the Banks with high credit ratings assigned by domestic and international credit rating agencies.

Other financial assets

Other financial assets do not have any significant credit risk

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 1292.59 lakhs as at March 31, 2019 (March 31, 2018 Rs. 1,229.11 lakhs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

I. Financial arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
From banks	**9,281.73**	2,234.12

II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Rs. lakhs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	3,202.56	-	3,202.56	-	3,202.56
Other financial liabilities	90.97	-	90.97	-	90.97
Current liabilities					
Borrowings	36,090.76	36,090.76	-	-	36,090.76
Trade payables	19,794.95	19,794.95	-	-	19,794.95
Other financial liabilities	3,378.53	3,378.53	-	-	3,378.53
Total	**62,557.77**	**59,264.24**	**3,293.53**	**-**	**62,557.77**

(Rs. lakhs)

As at March 31, 2019	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	8,321.62	-	7,973.47	348.15	8,321.62
Other financial liabilities	73.93	-	73.93	-	73.93
Current liabilities					
Borrowings	34,791.90	34,791.90	-	-	34,791.90
Trade payables	30,881.36	30,881.36	-	-	30,881.36
Other financial liabilities	4,414.90	4,414.90	-	-	4,414.90
Total	**78,483.71**	**70,088.16**	**8,047.40**	**348.15**	**78,483.71**

b. Financial risk management (continued)

III. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Company.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees (lakhs) as at March 31, 2019 and March 31, 2018.

(Rs. lakhs)

Particulars	As at March 31, 2019			
	USD	EURO	GBP	AUD
Financial assets				
Trade receivables	1,959.83	23.31	-	-
Forward Contract	-	-	-	-
Sundry Advances	2.70	3.75	-	-
	1,962.53	**27.06**	**-**	**-**
Financial liabilities				
Borrowings	-	4.81	-	-
Trade payables	767.45	18.20	-	-
Commission & discount	18.13	3.99	-	-
Acceptances	88.81	-	-	-
Royalty	-	8.31	-	-
	874.39	**35.31**	**-**	**-**

(Rs. lakhs)

Particulars	As at March 31, 2018			
	USD	EURO	GBP	AUD
Financial assets				
Trade receivables	7,910.26	1,593.95	51.87	-
Forward Contract	130.28	80.82	-	-
Sundry Advances	14.51	0.81	-	0.52
	8,055.05	**1,675.58**	**51.87**	**0.52**
Financial liabilities				
Borrowings	205.68	352.15	-	-
Trade payables	952.44	44.50	0.23	-
Commission & discount	811.20	444.25	-	-
Acceptances	2,789.98	-	-	-
Royalty	-	8.31	-	-
	4,759.30	**849.21**	**0.23**	**-**

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2019 (previous year ended as on March 31, 2018) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2019				
USD	10.88	(10.88)	7.08	(7.08)
EUR	(0.08)	0.08	(0.05)	0.05
	10.80	**(10.80)**	**7.03**	**(7.03)**
For the year ended March 31, 2018				
USD	32.96	(32.96)	21.55	(21.55)
EUR	8.26	(8.26)	5.40	(5.40)
GBP	0.52	(0.52)	0.34	(0.34)
AUD	0.01	(0.01)	0.00	(0.00)
	41.75	**(41.75)**	**27.29**	**(27.29)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, AUD: Australian Dollar

b. Financial risk management (continued)

III. Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**695.03**	528.25
Loans	**512.35**	816.01
Other Financial assets	**408.53**	1,046.25
Total	**1,615.91**	2,390.51
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**5,645.08**	967.57
Public Deposits	**557.63**	655.49
Variable-rate instruments		
Term loans	**5,593.94**	4,229.59
Cash Credit	**34,791.90**	36,090.76
Total	**46,588.55**	41,943.41

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended March 31, 2019				
Interest on term loans	(55.94)	55.94	(36.39)	36.39
Interest on cash credits	(347.92)	347.92	(226.34)	226.34
For the year ended March 31, 2018				
Interest on term loans	(48.62)	48.62	(31.79)	31.79
Interest on cash credits	(360.91)	360.91	(236.00)	236.00

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Company's debt to capital ratio, which is calculated as interest-bearing debts (less cash & cash equivalents) divided by total capital (equity attributable to equity share holders plus interest-bearing debt) is as under:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Borrowings	**46,588.55**	41,943.41
Less : Cash and cash equivalent	**(597.56)**	(700.86)
Adjusted net debt (A)	**45,990.99**	41,242.55
Total equity (B)	**47,231.37**	40,793.38
Adjusted net debt to adjusted equity ratio (A/B)	**97.37%**	101.10%

48. Research and development expenses amounting to Rs. 552.33 lakhs (March 31, 2018: Rs. 472.95 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. Nil lakhs (March 31, 2018: Rs. 48.61 lakhs) has been included in property, plant and equipment.

49. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**337.19**	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

50. Disclosures related to government grant

The government grants/assistance recognised are as under:

Nature of Grant/assistance	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Subvention on loan interest	**172.31**	350.42
Interest subsidy in respect of loan at concessional rate	**113.74**	-
Grant against cane purchased	**990.69**	-
Grant for payment of cane dues subject to fulfilment of sugar export obligation and other conditions	**1187.19**	-
Subsidy against maintainence of buffer stock	**504.11**	-

51. Immovable properties of Rs. 888.99 lakhs yet to be endorsed in the name of Company are as under :

(Rs. lakhs)

Particluars	**Amount as on March 31, 2019**	**Remarks**
"Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan"	844.04 *	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	44.95	The title deeds are in the name of Daurala Organics Limited which was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court

* Includes leasehold land Rs. 465.00 lakhs at Kota, Rajasthan

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

TO THE MEMBERS OF DCM SHRIRAM INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DCM Shriram Industries Limited (hereinafter referred to as the 'Holding Company"), its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associate which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Description of Key Audit Matter

Determination of net realizable value of inventory of sugar
See notes 2B(d) and 11 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
As at 31 March 2019, the Company has inventory of sugar with the carrying value of Rs.47,751.22 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We believe that the value of inventory of sugar is a key audit matter considering its size in the financial statements and judgement involved in the consideration of factors including minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales, frequent fluctuations in selling prices and the related notifications and policies of the Government in this business segment.	We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. We have considered various factors including the actual selling prices prevailing around and subsequent to the year end, management estimation of various scenarios, e.g; overall production and consumption of sugar, minimum selling price, notifications of the Government of India, and other measures taken by the Government with respect to sugar industry as a whole. Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year end and comparison with cost for valuation of inventory, is considered to be reasonable.

Impact of Government policies/ notifications
See notes 2B(h), 38 and 53 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Government authorities have issued various notifications impacting sugar mills. These include export of sugar along with compliances with several conditions to be eligible to get certain Government grants for offsetting the cost of cane crushed and to facilitate timely payment of farmers' dues.	We understood and tested the design and operating effectiveness of controls as established by the management in recognition and recoverability of the claims. We evaluated the management's assessment regarding reasonable certainty for complying with the relevant conditions as specified in the notifications/ policies and collections.

Key audit matter	How the matter was addressed in our audit
During the year, the Company has recognised grants/ assistance aggregating to Rs.2,968.04 lakhs and export loss of Rs.4,125.87 lakhs to fulfil the minimum export indicative quota (MEIQ) as notified by the Government. These have been considered significant to the financial statements These areas involved significant management judgement in recognition, considering stringent compliances. The area of judgement includes assessment of fulfilment of regulatory conditions, reliability of amounts recognised, provisions thereof, and timing of accruals.	We considered the relevant notifications/ policies issued by various authorities to ascertain the appropriateness of claims and related adjustments pursuant to any changes, basis for determination of claims and loss on exports. We tested the ageing analysis and assessed the information used by the management to determine the realisability of claims and provisions considered in the financial statements. Based on the above procedures performed, the management's estimates related to recognition of grants/ assistance and related export losses are considered reasonable.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the assets of each company and for preventing and detecting frauds and other irregularities; the 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 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements may 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 financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiary) as well as associate to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, 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 para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.1,140.82 lakhs as at 31 March 2019, total revenues of Rs.85.20 lakhs and net cash flows amounting to Rs.(149.07) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss and other comprehensive income of Rs.47.87 lakhs for the year ended 31 March 2019, in respect of an associate viz.DCM Hyundai Limited, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;

   e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate , none of the directors of the Group and its associate is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and associate, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associate. Refer Note 42 to the consolidated financial statements;

ii. the Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and associate during the year ended 31 March 2019; and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and associate which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and associate is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 1012482W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: New Delhi
Date: 27.05.2019

Annexure A to the Independent Auditor's report on the consolidated financial statements of DCM Shriram Industries Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report]

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of DCM Shriram Industries Limited (hereinafter referred to as "the Holding Company") and such companies which are its subsidiary company and its associate, as of that date.

In our opinion, the Holding Company, its subsidiary company and its associate, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company and associate in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and one associate company, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W / W-100022

Kaushal Kishore
Partner
(Membership No. 090075)

Place : New Delhi
Date : May 27, 2019

Consolidated Balance Sheet as at March 31, 2019

Particulars	Note No.	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**38,878.97**	32,940.27
Capital work-in progress	3	**2,245.66**	1,781.71
Intangible assets	4	**90.31**	100.19
Intangible assets under development	4	**16.50**	-
Equity accounted investees	5	**2,294.23**	2,342.10
Financial assets			
(i) Investments	6	**-**	-
(ii) Loans	7	**500.24**	494.12
(iii) Other financial assets	8	**99.67**	159.66
Income-tax assets (net)	9	**1,395.81**	1,812.73
Other non-current assets	10	**983.88**	466.38
Total non-current assets		**46,505.27**	40,097.16
Current assets			
Inventories	11	**61,643.95**	49,605.54
Financial assets			
(i) Investments	12	**1,710.18**	-
(ii) Trade receivables	13	**19,053.59**	16,488.27
(iii) Cash and cash equivalents	14	**615.02**	867.39
(iv) Other bank balances	15	**1,425.02**	1,053.56
(v) Loans	16	**317.11**	611.91
(vi) Other financial assets	17	**344.25**	928.96
Other current assets	18	**2,810.26**	2,430.59
Total current assets		**87,919.38**	71,986.22
TOTAL ASSETS		**134,424.65**	112,083.38
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	**1,739.84**	1,739.84
Other equity	20	**48,087.44**	41,654.39
Total equity		**49,827.28**	43,394.23
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	**8,321.62**	3,202.55
(ii) Other financial liabilities	22	**73.93**	90.97
Provisions	23	**1,173.73**	1,020.96
Deferred tax liabilities (net)	39	**3,028.13**	3,313.20
Other non-current liabilities	24	**73.28**	32.28
Total non- current liabilities		**12,670.69**	7,659.96
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**34,791.90**	36,090.76
(ii) Trade payables	26		
- Total outstanding dues of Micro and Small Enterprises		**337.19**	-
- Total outstanding dues other than Micro and Small Enterprises		**30,545.03**	19,795.60
(iii) Other financial liabilities	27	**4,414.90**	3,378.55
Other current liabilities	28	**1,454.46**	1,356.04
Provisions	29	**383.20**	408.24
Total current liabilities		**71,926.68**	61,029.19
TOTAL EQUITY AND LIABILITIES		**134,424.65**	112,083.38
Significant Accounting Policies	2B		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Revenue			
Revenue from operations	30	**1,68,900.18**	1,72,626.42
Other income	31	**1,903.67**	1,624.99
Total revenue		**1,70,803.85**	1,74,251.41
Expenses			
Cost of material consumed	32	**1,01,734.37**	1,02,596.67
Purchase of traded goods	33	**13,151.74**	12,089.89
Changes in inventories of finished goods and work-in-progress	34	**(10,693.40)**	4,355.26
Excise duty		**-**	2,183.29
Employee benefits expense	35	**13,480.17**	12,630.74
Finance costs	36	**2,400.19**	2,814.32
Depreciation and amortisation expense	37	**2,079.54**	1,924.16
Other expenses	38	**39,528.41**	28,705.17
Total expenses		**1,61,681.02**	1,67,299.50
Profit before share of profit of equity accounted investees and tax		**9,122.83**	6,951.91
Share of profit of equity accounted investees (net of tax)		**85.93**	68.45
Profit before tax		**9,208.76**	7,020.36
Tax expense			
Current tax expense	39	**1,969.75**	1,518.30
Deferred tax (credit)/ charge	39	**87.68**	(365.38)
Tax relating to earlier years	39	**(335.19)**	-
		1,722.24	1152.92
Profit for the year		**7,486.52**	5,867.44
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement (loss) on defined benefit obligation		**(124.02)**	(168.88)
Income tax pertaining to items that will not be reclassified to profit or loss		**43.34**	58.45
Share of OCI of equity accounted investees (net of tax)		**(133.80)**	(997.38)
Total other comprehensive income/ (expense), net of taxes		**(214.48)**	(1,107.81)
Total comprehensive income	50	**7,272.04**	4,759.63
Profit for the year attributable to			
- Owners of the Company		**7,486.52**	5,867.44
- Non-controlling interest		**-**	-
Other comprehensive income/(expense) for the year attributable to	50		
- Owners of the Company		**(214.48)**	(1,107.81)
- Non-controlling interest		**-**	-
Total comprehensive income for the year attributable to	50		
- Owners of the Company		**7,272.04**	4,759.63
- Non-controlling interest		**-**	-
Earnings per equity share - basic and diluted (Rs.)	44	**43.03**	33.73
Significant Accounting Policies	2B		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Consolidated Statement of Cash Flow for the year ended March 31, 2019

	Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
A.	**Cash Flows From Operating Activities**		
	Profit before tax	**9,208.76**	7,020.36
	Adjustments for :		
	Depreciation and amortisation	**2,079.54**	1,924.16
	Finance costs	**2,400.19**	2,814.32
	Interest income	**(317.15)**	(174.53)
	Interest received against subvention	**(286.04)**	(350.42)
	Deferrred rent amortisation	**(9.23)**	1.30
	Profit on sale of fixed assets	**(52.68)**	-
	Loss on sale of property, plant and equipments / discarded assets (net)	**-**	49.05
	Share of profit of equity accounted investees (net of tax)	**(85.93)**	(68.45)
	Profit on sale of current investments	**(175.78)**	(60.23)
	Net gain on fair value of investments	**(64.07)**	-
	Operating profit before changes in assets and liabilities	**12,697.61**	11,155.56
	Changes in assets and liabilities		
	Increase / (Decrease) in trade payables	**11,086.63**	(5,622.15)
	Increase in financial liabilities	**8.43**	5.11
	Increase / (Decrease) in other liabilities & provisions	**143.22**	(2,437.29)
	(Increase) in trade receivables	**(2,565.32)**	(1,689.89)
	(Increase) / Decrease in inventories	**(12,038.41)**	5,912.16
	Decrease in financial assets	**943.88**	254.70
	(Increase) / Decrease in other assets	**(378.37)**	880.57
	Cash generated from operations	**9,897.67**	8,458.77
	Income tax paid (Net)	**(1,547.05)**	(2,140.84)
	Net cash from operating activities (A)	**8,350.62**	6,317.93
B.	**Cash Flows From Investing Activities**		
	Capital expenditure on acquisition of items of property, plant and equipments, including capital advances	**(8,853.36)**	(3,862.08)
	Proceeds from sale of property, plant and equipments	**117.18**	163.07
	Purchase of current investments	**(10,375.00)**	(9,964.00)
	Proceeds from sale of current investments	**8,904.66**	10,248.41
	Changes in other bank balances	**(371.47)**	(175.36)
	Interest received	**321.63**	148.53
	Inter corporate deposits received back	**(15.00)**	150.00
	Net cash used in investing activities (B)	**(10,271.36)**	(3,291.43)
C.	**Cash Flows From Financing Activities**		
	Proceeds from long term borrowings	**8,959.17**	3,531.13
	Repayment of long term borrowings	**(3,000.63)**	(2,992.60)
	(Repayments) / proceeds from short term borrowings (net)	**(1,148.86)**	552.69
	Payment of Inter Corpoate deposit	**(150.00)**	-
	Finance costs paid (net of subvention)	**(2,167.82)**	(2,438.04)
	Dividend paid	**(680.44)**	(1,097.21)
	Corporate distribution tax paid	**(143.05)**	(230.22)
	Net cash from/(used) in financing activities (C)	**1,668.37**	(2,674.25)
	Net increase in cash and cash equivalents (A+B+C)	**(252.37)**	352.25
	Cash and cash equivalents at the beginning of the year	**867.39**	515.14
	Cash and cash equivalents at the end of the year	**615.02**	867.39
	Component of cash and cash equivalents		
	Balances with scheduled banks:		
	- Current accounts	**586.81**	834.96
	- Cash in hand	**28.21**	32.43
	Cash and cash equivalents at the close of the year	**615.02**	867.39

Contd. on next page

Consolidated Statement of cash flow for the year ended March 31, 2019 (contd.)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

(Rs. lakhs)

Particulars	Non-current borrowings*	Current borrowings
Opening balance as at April 1,2018	**5,980.25**	**36,090.76**
Cash flows during the year	**5,832.88**	**(3,341.02)**
Non-cash changes due to:		
- Interest accrued (net of subvention)	**37.73**	**2,042.16**
- Transaction costs on borrowings amortised	**34.26**	**-**
Closing balance as at March 31,2019	**11,885.12**	**34,791.90**

* Includes current maturities of non-current borrowings and interest accrued thereon, refer Note 27.

Notes

1. The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard -7 on "Statement of Cash Flows ".
2. Refer Note 38 for Corporate Social Responsibility (CSR) expense.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.:
101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
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For and on behalf of the Board of Directors
DCM Shriram Industries Limited

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Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2017	1,739.84
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	1,739.84
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at March 31, 2019	**1,739.84**

B. Other equity

(Rs.lakhs)

Particulars	Reserve and surplus						Items of Other Comprehensive Income	Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Capital reserve	Securities Premium account	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 1, 2017	1,411.38	13,465.60	0.10	234.89	3,406.68	18,192.26	1,544.97	38,255.88
Profit for the year	-	-	-	-	-	5,867.44	-	5,867.44
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	(1,107.81)	(1,107.81)
Total comprehensive income for the year	1,411.38	13,465.60	0.10	234.89	3,406.68	24,059.70	437.16	43,015.51
Transactions with shareholders, recorded directly in equity								
Distribution to shareholders								
Final dividend on equity shares	-	-	-	-	-	(1,130.90)	-	(1,130.90)
Dividend distribution tax on final dividend	-	-	-	-	-	(230.22)	-	(230.22)
Balance as at March 31, 2018	1,411.38	13,465.60	0.10	234.89	3,406.68	22,698.58	437.16	41,654.39
Balance as at April 1, 2018	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**22,698.58**	**437.16**	**41,654.39**
Profit for the year	-	-	-	-	-	**7,486.52**	-	**7,486.52**
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	**(214.48)**	**(214.48)**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**30,185.10**	**222.68**	**48,926.43**
Transactions with shareholders, recorded directly in equity								
Distribution to shareholders								
Dividend	-	-	-	-	-	(695.94)	-	(695.94)
Dividend distribution tax	-	-	-	-	-	(143.05)	-	(143.05)
Balance as at March 31, 2019	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**29,346.11**	**222.68**	**48,087.44**

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

1. Corporate Information

DCM Shriram Industries Limited (the “Company” or “the parent Company”) is a Public Limited Listed Company incorporated in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of sugar, alcohol, power, chemicals and industrial fibers.

2 Principles of consolidation and Basis of Preparation

2.1 Principles of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(i) Subsidiaries :

Subsidiaries are the entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest in the results and equity of the subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. Changes in the Group’s equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

ii) Equity accounted investees

The Group's interest in equity accounted investees comprise interest in associate.

An associate is an entity over which the group has significant influence but not control or joint control over the financial and operating policies.

Investments in associate are accounted for using the equity method of accounting. It is initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity accounted investees until the date on which significant influence ceases.

The details of the companies included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the Subsidiary Company	Nature of relation	Ownership in % either directly or through subsidiary		Country of Incorporation
			2018-19	2017-18	
1	Daurala Foods and Beverages Pvt. Ltd. (DFBPL)	Subsidiary	**100**	100	India
2	DCM Hyundai Limited (DHL)	Associate	**49.28**	49.28	India

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with that of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statement of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 Basis of preparation of consolidated financial statements

a) Statement of Compliance

These Consolidated Ind AS Financial Statements ("Consolidated Financial Statements") of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act'), Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

These Consolidated Financial Statements of the Group for the year ended March 31, 2019 are approved by the Company's Audit Committee and by the Board of Directors on May 27, 2019.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts are in Rupees lakhs with two decimal points rounded-off to the nearest thousands, unless otherwise stated.

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. In particular, information about significant areas of estimation/ uncertainty and judgements in applying accounting policies that have the most significant effects on the consolidated financial statements are included in the following notes:

- Recognition and estimation of tax expense including deferred tax- Note 39.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2B(b) & (c).
- Estimation of obligations relating to employee benefits: key actuarial assumptions- Note 2B(g)
- Valuation of Inventories- Note 2B(d)
- Fair Value Measurement of financials instruments- Note 2B(p)
- Lease Classification- Note 2B(m)
- Recognition and Measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2B(k)
- Impairment of financial assets- Note 2B(p)
- Impairment of non-financial assets- Note 2B(j)

2A. Changes in significant accounting policies

Ind AS 115- Revenue from contract with customers became applicable from 1 April 2018 and has been adopted by the Group (Refer note no 2B (e)). It replaces Ind AS 18 Revenue Recognition, Ind AS 11 Construction Contracts and related interpretations. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services as against when significant risks and rewards of ownership have passed to the buyer under Ind AS 18. Determining the timing of transfer of control requires judgement.

The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the impact of initial application to be taken in retained earnings. Accordingly, the information presented for 2017-18 has not been restated.

There is no significant impact of transition from Ind AS 18 to Ind AS 115 and in recognizing revenue by the Group.

2B. Significant accounting policies

a) Operating Cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

b) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/ amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising on disposal of property, plant and equipment is recognized in the Consolidated Statement of Profit and Loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Subsequent Expenditure

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

(iii) Depreciation

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Assets costing up to Rs. 0.05

lakhs are fully depreciated in the year of purchase. No depreciation is provided on assets sold, discarded, etc. during the year.

Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

c) Intangible assets

(i) Recognition and initial measurement

Intangible assets comprise computer software. Intangible assets that are acquired by the Group are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Consolidated Statement of Profit and Loss as incurred.

(iii) Amortisation

Intangible assets, being computer software are amortised in the Consolidated Statement of Profit and Loss over the estimated useful life of 5 years using the straight line method.

The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted as necessary.

d) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on a 'weighted average' basis. Cost comprises of raw material cost, appropriate share of labour, and overheads incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(i) Sale of goods

Revenue from sale of goods is recognised when the Group satisfies its performance obligation by transferring goods to the customer i.e. when the customer obtains control of the goods.

(ii) Rendering of services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Job work is recognized upon full completion of the job work.

(iii) Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

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

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

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;

  - temporary differences related to freehold land nd investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

  - taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

g) Employee benefits

(i) Short-term benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

The defined contribution plans i.e. provident fund, superannuation fund and employees' pension scheme are post-employment benefit plans under which a Group pays fixed contributions into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity

The Group provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

These are funded by the Group and are managed by LIC.

The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

(iv) Other long-term employee benefits

Benefits under the Group's privilege leaves and medical leave are other long term employee benefits. The Group's net obligation in respect of privilege leave and medical leave are the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method.

Re-measurements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

h) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income other than export benefits which are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(i) Foreign currency transactions and translation

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (INR). The consolidated financial statements are presented in INR which is Group's functional and presentational currency.

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ (losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to the Consolidated Statement of Profit and Loss.

j) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Consolidated Statement of Profit and Loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Provisions and contingent liabilities

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

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period., If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

l) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

m) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

n) Earnings per share (EPS)

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

In accordance with Ind AS 108 – "Operating Segments", the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

The Executive Committee, comprising of Chairman and Managing Director, Whole Time Directors, Business Heads, Chief Financial Officer and Company Secretary is collectively the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 40 for segment information.

p) Financial instruments

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

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

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

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

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

The Group has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

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

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

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVOCI – debt instruments.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt instruments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

q) Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

r) Research and development

Expenditure on research and development activities is recognized in the Consolidated Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in the Consolidated profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

s) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following changes effective from accounting periods beginning on or after 1st April, 2019.

Ind AS 116- Leases

Ind AS 116 replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard recognises exemptions for leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. No significant impact is expected on implementation both for assets where Group is a lessee and where Group is a lessor.

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

Amendment to Ind AS 12- Income taxes

Appendix C to Ind-AS 12 Income taxes – “Uncertainty over Income Tax Treatments” has been notified which requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly.

Further, it has been clarified that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109.

Amendment to Ind AS 19- Employee benefits

Amendment requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The amendment permits early application also.

3. Property, plant and equipment and capital work-in-progress

(Rs.lakhs)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount									
Balance as at April 1, 2017	789.26	465.35	4,013.41	28,336.62	652.73	334.09	93.61	34,685.07	330.93
Add: Additions during the year	-	-	347.73	1,596.89	181.67	60.75	29.56	2,216.60	3,487.13
Less: Disposals/Adjustments/ Capitalised during the year	-	-	2.37	196.54	29.87	4.25	2.27	235.30	2,036.35
Balance as at March 31, 2018	789.26	465.35	4,358.77	29,736.97	804.53	390.59	120.90	36,666.37	1,781.71
Add: Additions during the year	**-**	**-**	**264.34**	**7,595.35**	**88.14**	**67.61**	**34.86**	**8,050.30**	**8,189.33**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**-**	**5.92**	**231.90**	**47.51**	**19.51**	**2.83**	**307.67**	**7,725.38**
Balance as at March 31, 2019	**789.26**	**465.35**	**4,617.19**	**37,100.42**	**845.16**	**438.69**	**152.93**	**44,409.00**	**2,245.66**
Accumulated depreciation									
Balance as at April 1, 2017	-	-	163.08	1,473.58	106.39	90.23	25.22	1,858.50	-
Add: Depreciation expense during the year	-	-	178.84	1,516.89	107.08	60.51	27.47	1,890.79	-
Less: Disposals / adjustments during the year	-	-	-	13.60	8.22	0.80	0.57	23.19	-
Balance as at March 31, 2018	-	-	341.92	2,976.87	205.25	149.94	52.12	3,726.10	-
Add: Depreciation expense during the year	-	-	**211.22**	**1,640.89**	**112.37**	**59.47**	**23.15**	**2,047.10**	**-**
Less: Disposals / adjustments during the year	-	-	**4.62**	**209.94**	**15.21**	**12.93**	**0.47**	**243.17**	**-**
Balance as at March 31, 2019	-	-	**548.52**	**4,407.82**	**302.41**	**196.48**	**74.80**	**5,530.03**	**-**
Net carrying value									
As at March 31, 2019	**789.26**	**465.35**	**4,068.67**	**32,692.60**	**542.75**	**242.21**	**78.13**	**38,878.97**	**2,245.66**
As at March 31, 2018	789.26	465.35	4,016.85	26,760.10	599.28	240.65	68.78	32,940.27	1,781.71

Notes:

1) For contractual commitments with respect to Capital work-in-progress, refer note 42 (B).

2) For details on PPE mortgaged/charged against borrowings, refer note 21.

4. Intangible assets

(Rs.lakhs)

Particulars	Software	Intangible assets under development
Gross carrying amount		
Balance as at April 1, 2017	134.77	-
Add: Additions during the year	29.80	-
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2018	164.57	-
Add: Additions during the year	**22.56**	**16.50**
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2019	**187.13**	**16.50**
Accumulated amortisation		
Balance as at April 1, 2017	31.01	-
Add: Amortisation expense during the year	33.37	-
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2018	64.38	-
Add: Amortisation expense for the year	**32.44**	**-**
Less: Disposals / adjustments during the year	-	-
Balance as at March 31, 2019	**96.82**	**-**
Net carrying value		
As at March 31, 2019	**90.31**	**16.50**
As at March 31, 2018	100.19	-

5. Equity accounted investees

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Investments in equity shares of associate		
Unquoted equity instruments		
DCM Hyundai Limited		
19,72,000 (March 31, 2018: 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	**166.00**	166.00
Add: Group's share of net profits	**2,128.23**	2,176.10
Total	**2,294.23**	2,342.10

6. Investment

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Investment in equity instruments		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited		
2 (March 31, 2018 - 2) equity shares of face		
value of Rs. 10 each, fully paid up @ (Rs. 20)	**@**	@
Sub total	**-**	-
Investments in preference shares		
Unquoted instruments		
Preference shares measured at Fair value through Profit and loss		
Versa Trading Limited		
7,00,000 (March 31, 2018 – 7,00,000) 5%		
redeemable non-cumulative preference shares of Rs. 100 each fully paid	**700.00**	700.00
Impairment in the value of investments		
Versa Trading Limited	**700.00**	700.00
Sub total	**-**	-
Total	**-**	-
Aggregate value of non-current unquoted investments (net of impairment)	**-**	-
Aggregate amount of impairment in the value of investments	**700.00**	700.00

7. Loans
(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
To Related Parties		
Security deposits	**49.56**	42.46
To Parties other than Related Parties		
Security deposits	**413.64**	425.78
Loans to employees	**37.04**	23.66
Others	**-**	2.22
Total	**500.24**	494.12

8. Other financial assets

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Bank deposits with maturity of more than twelve months	**88.33**	6.42
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**11.34**	153.24
Total	**99.67**	159.66

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

9. Income tax assets (net)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advance income tax [net of provision]	**1,395.81**	1,812.73
Total	**1,395.81**	1,812.73

10. Other non-current assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Capital advances	**946.06**	436.51
Advance other than capital advances		
- Deferred rent	**16.05**	6.82
- Balance with government authorities	**14.50**	7.77
- Other advances	**7.27**	15.28
Doubtful		
Other advances	**1.30**	1.30
	985.18	467.68
Less: Loss allowance for advances	**1.30**	1.30
Total	**983.88**	466.38

11. Inventories

(Valued at lower of cost and net realisable value)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Raw material*	**4,858.00**	3,805.86
Work in progress	**1,651.02**	1,416.82
Finished goods**#	**50,737.21**	40,278.01
Stores and spares	**4,397.72**	4,104.85
Total	**61,643.95**	49,605.54

* Includes raw material in transit Rs. 456.44 lakhs (March 31, 2018: Rs. 301.71 lakhs)

** Includes finished goods in transit Rs. 1,981.61 lakhs (March 31, 2018: Rs. 263.13 lakhs)

\# The write-down of inventories to net realisable value during the year amounted to Rs. Nil (31 March 2018: Rs. 6,686.93 lakhs)
The write-down is included in changes in inventories of finished goods.

12. Investments

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
297651.699 (March 31, 2018: Nil) Aditya Birla Sunlife Saving Fund – Growth Regular Plan Units of Rs. 100 each	**1,098.28**	-
78762.677 (March 31, 2018: Nil) Aditya Birla Sunlife Low duration Fund - Growth Regular Plan Units of Rs. 100 each	**353.85**	-
1579087.089 (March 31, 2018: Nil) HSBC Low duration Fund - Growth Units of Rs. 10 each	**258.05**	-
Total	**1,710.18**	-

13. Trade receivables

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured, considered good	**-**	-
Unsecured, considered good	**19,053.59**	16,488.27
Doubtful	**29.97**	29.97
	19,083.56	16,518.24
Less : Loss allowance for trade receivables	**29.97**	29.97
Total	**19,053.59**	16,488.27

The Group exposure to credit and currency risks are disclosed in Note 47.

14. Cash and cash equivalents

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Balances with banks		
- On current accounts	**586.81**	834.96
Cash on hand	**28.21**	32.43
Total	**615.02**	867.39

15. Other bank balances

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Deposits with original maturity of more than three months but upto twelve months		
- in deposit accounts	**729.99**	570.66
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**471.48**	151.43
Earmarked deposits maturity within twelve months	**68.28**	191.70
Earmarked balances with banks - unpaid dividend accounts	**155.27**	139.77
Total	**1,425.02**	1,035.56

16. Loans

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
To Parties other than Related Parties		
Security deposits	**0.02**	0.02
Loans to employees (including accrued interest)	**10.09**	48.29
Inter-corporate deposits*	**305.00**	490.00
Others	**2.00**	73.60
Total	**317.11**	611.91

* During the previous year, the Company had given an inter corporate deposit of Rs. 200 lakhs at the market rate of interest to a party for its operational requirement which was receivable on demand. This inter corporate deposit has been received back during the year.

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

17. Other financial assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Interest accrued on term deposits	**87.43**	74.66
Interest accrued on inter corporate deposits	**8.67**	25.92
Unbilled revenue	**-**	663.49
Claims receivable	**234.93**	99.99
Others	**13.22**	64.90
Total	**344.25**	928.96

18. Other current assets

(unsecured, considered good unless otherwise stated)

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advances to contractors	**541.59**	447.80
Other advances		
- Advance to employees	**17.58**	23.04
- Balance with government authorities	**1,839.90**	1,658.00
- Prepaid transaction cost	**79.94**	32.68
- Prepaid expense	**244.00**	170.99
- Others	**87.25**	98.08
Total	**2,810.26**	2,430.59

19. Equity share capital

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
a) Authorised		
6,50,00,000 (March 31, 2018: 6,50,00,000) equity shares of Rs. 10 each	**6,500.00**	6,500.00
b) Issued, subscribed and fully paid-up		
1,73,98,437 (March 31, 2018: 1,73,98,437) equity shares of Rs. 10 each fully paid-up	**1,739.84**	1,739.84

c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
Equity shares				
At the commencement of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84
Add: Shares issued during the year	**-**	**-**	-	-
At the end of the year	**1,73,98,437**	**1,739.84**	1,73,98,437	1,739.84

d) Terms, rights, preferences and restrictions attached to equity shares

The group has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Group

Particulars	**As at 31.03.2019**		As at 31.03.2018	
	Number of shares	**% of holding**	Number of shares	% of holding
Bantam Enterprises Private Limited	**13,56,968**	**7.80%**	13,45,320	7.73%
HB Portfolio Limited	**29,88,173**	**17.17%**	33,17,170	19.07%
Life Insurance Corporation of India	**12,40,679**	**7.13%**	12,40,679	7.13%
Lily Commercial Private Limited	**11,50,323**	**6.61%**	10,44,323	6.00%
Versa Trading Limited	**22,24,725**	**12.79%**	22,24,725	12.79%

20. Other equity

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
a. Amalgamation reserve		
Balance as at the beginning and at the end of the year	**1,411.38**	1,411.38
b. General reserve		
Balance as at the beginning and at the end of the year	**13,465.60**	13,465.60
c. Capital redemption reserve		
Balance as at the beginning and at the end of the year	**0.10**	0.10
d. Capital reserve		
Balance as at the beginning and at the end of the year	**234.89**	234.89
e. Securities Premium account		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
f. Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**22,698.58**	18,192.26
Add: Profit for the year	**7,486.52**	5,867.44
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax**	**437.16**	1,544.97
Share of equity accounted investees	**(214.48)**	(1,107.81)
Less: Appropriations		
Dividend on equity shares [Dividend per share Rs. 4.00 (March 31, 2018: Rs. 6.50] *	**(695.94)**	(1,130.90)
Tax on dividend *	**(143.05)**	(230.22)
Balance at the end of the year	**29,568.79**	23,135.74
Total	**48,087.44**	41,654.39

Nature and purpose of reserve

a. Amalgamation reserve
Amalgation reserve has been created on amalgamation of Daurala Organics Limited with the Group.

b. General reserve
Profits earned by the Group are transferred to General reserve as decided.

c. Capital redemption reserve
Created on redemption of preference shares as per requirements of the Companies Act, 1956.

d. Capital reserve
Represents excess of Company's portion of equity in the subsidiary over its cost of investment.

e. Securities premium reserve
Securities premium reserve has been created on account of the premium received on issue of shares and capital and reorganisation reserve reclassified as share premium in the year ended March 31, 1993.

* The Board of Directors have proposed a dividend of Rs. 6.00 Per share for the financial year 2018-19 (2017-18 - Rs. 4.00 per share) aggregating to Rs. 1258.48 lakhs (including corporate dividend tax). The proposed dividend for 2018-19 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these consolidated Financial Statements.

** Included in 'Items of other comprehensive income' in statement of changes in equity.

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

21. Borrowings

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured loans		
Term loans from banks	**11,039.92**	4,969.62
Term loans from others	**199.10**	227.53
Unsecured loans		
Public Deposits	**557.63**	655.49
	11,796.65	5,852.64
Less: Current maturities of borrowings	**3,475.03**	2,650.09
Total	**8,321.62**	3,202.55
Details of current maturities of Non-current Borrowings:		
Secured loans		
Term loans from banks	**3,177.51**	2,370.79
Term loans from others	**56.89**	28.44
Unsecured loans		
Public Deposits	**240.63**	250.86
	3,475.03	2,650.09

Repayment terms and security disclosure for the outstanding borrowings as at March 31, 2019:

From Banks

Secured borrowings:

a) Rs.205.12 lakhs (March 31,2018: Rs.414.30 Lakhs), Rs.1853.88 lakhs (March 31,2018: Rs.2461.97 lakhs) and Rs.1967.31 lakhs (March 31,2018: Rs.634.43 lakhs) carrying interest between 9.30% p.a. to 11.20% p.a., repayable in 4, 12 and 12 quarterly installments respectively, are secured by a first mortgage and charge on all the immovable and movable properties of the Group excluding all assets of Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans.

b) Nil (March 31,2018: Rs.632.51 lakhs) and Rs.6.53 lakhs (March 31,2018: Rs.84.86 lakhs) carrying interest of 12% p.a., repayable in 0 and 1 monthly installments respectively, are secured by residual charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Group.

c) Nil (March 31,2018: Rs.519.59 lakhs), repayable in 0 installment, was secured by a first mortgage and charge on all the immovable and movable properties of the Group excluding all assets of Daurala Organics, a unit of the Group, subject to prior charges created / to be created in favour of the Group's bankers for securing the borrowings for working capital requirements, the charges ranking pari-passu with the charges created/to be created in favour of first charge holders for their respective term loans and 2nd pari-passu charge on all current assets of sugar division of the Group excluding stocks pledged with Distt. Co-operative Banks.

d) Rs.97.58 lakhs (March 31,2018: Rs.197.00 lakhs) carrying interest of 9.50% p.a., repayable in 4 quarterly installments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Group.

e) Rs.1052.51 lakhs (March 31,2018: Nil) carrying interest of 9.50% p.a., repayable in 16 quarterly installments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Group.

f) Rs.5424.15 lakhs (March 31,2018: Nil) carrying interest of 5% p.a., repayable in 60 monthly installments, is secured by first charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

g) Rs.242.78 lakhs (March 31,2018: Nil) and Rs.174.76 lakhs (March 31,2018: Nil) carrying interest of 9.30% p.a., repayable in 16 quarterly installments, are secured by first charge on all the immovable and movable properties of the Group excluding assets on exclusive charges.

h) Rs.15.30 lakhs (March 31,2018: Rs.24.96 lakhs) currently carrying interest of 10.45% p.a., repayable in 18 monthly installments, is secured by hypothecation of specific assets.

From Others:

Secured borrowings:

Rs.199.10 lakhs (March 31,2018: Rs.227.54 lakhs) carrying interest of 4.25% p.a., repayable in 7 half yearly installments, is secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Group.

Public deposit:

Unsecured borrowings:

Rs.557.63 lakhs (March 31,2018: Rs.655.49 lakhs) carrying interest of 9.5% p.a to 10% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

22. Other financial liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Interest accrued but not due on borrowings	**-**	30.83
Deposits from contractors and others	**11.90**	9.98
Others	**62.03**	50.16
Total	**73.93**	90.97

23. Provisions

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Gratuity	**196.58**	179.79
- Compensated absences	**877.15**	741.17
Provision for contingencies*	**100.00**	100.00
Total	**1,173.73**	1,020.96

* Provision for contingencies of Rs. 100 lakhs (March 31, 2018: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company.

24. Other non-current liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Others	**73.28**	32.28
Total	**73.28**	32.28

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

25. Borrowings

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**34,791.90**	35,940.76
Unsecured loans		
Others - loans repayable on demand	**-**	150.00
Total	**34,791.90**	36,090.76

* Secured by hypothecation of stocks, stores, book debts and receivables, both present and future / pledge of stocks / third pari passu charge on some of the Group's property, plant and equipment. Some of these are further secured by way of second / third pari-passu mortgage and charge on the property, plant and equipment, both present and future.

26. Trade payables

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Trade payables to related parties	**699.70**	542.00
Other trade payables*		
-Total outstanding dues of Micro and Small Enterprises	**337.19**	-
-Total outstanding dues other than Micro and Small Enterprises	**29,845.33**	19,253.60
Total	**30,882.22**	19,795.60

* Refer note 52 for Micro and Small enterprises.

Notes:

a) Includes acceptances Rs. 3,066.47 lakhs (March 31, 2018 Rs. 2,789.98 lakhs).

b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 47.

27. Other financial liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Creditors for capital purchases	**384.90**	175.40
Current maturities of long term borrowings (refer Note 21)	**3,475.03**	2,650.09
Security deposits	**2.60**	2.60
Interest accrued but not due on borrowings	**85.79**	96.77
Unclaimed dividends	**155.27**	139.77
Unclaimed deposits and interest accrued thereon	**2.66**	-
Other payables		
- Deposits from contractors and others	**266.00**	273.50
- Others	**42.65**	40.42
Total	**4,414.90**	3,378.55

28. Other current liabilities

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Advances from customers and others	**144.73**	240.47
Statutory dues payable	**1,154.76**	974.35
Others	**154.97**	141.22
Total	**1,454.46**	1,356.04

29. Provisions

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	**383.20**	408.24
Total	**383.20**	408.24

30. Revenue from operations

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Sale of products (including excise duty)*		
Export	**47,154.87**	38,630.26
Domestic	**1,14,332.03**	1,27,328.28
Sale of services		
Processing charges	**3,026.41**	2,711.99
Others	**38.70**	-
Other operating revenue		
Sale of scrap	**872.09**	491.55
Duty draw back, export benefits and other government assistance	**2,707.41**	1,292.99
Sale of renewable energy certificates	**759.08**	2,139.32
Others	**9.59**	32.03
Total	**1,68,900.18**	1,72,626.42

* Revenue from operations for the previous year is not comparable with the current year as the current year's Revenue from operations is net of GST whereas excise duty is presented as expense in the previous year upto June 30, 2017.

31. Other income

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	**278.36**	118.75
Unwinding of discount on security deposits	**0.56**	4.37
Interest income on inter-corporate deposit	**38.23**	51.41
Interest subsidy *	**286.05**	350.42
Interest income on income tax refund	**-**	-
Provisions/liabilities no longer required, written back	**6.97**	1.42
Rental income	**36.17**	37.24
Profit on sale of property, plant and equipment (net)	**52.68**	-
Profit on sale of current investments	**175.78**	60.23
Net change in fair value of financial assets measured at fair value through profit or loss	**64.07**	-
Gain on foreign exchange fluctuation (net)	**840.68**	841.39
Miscellaneous income	**124.12**	159.76
Total	**1,903.67**	1,624.99

* Refer note no. 53.

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

32. Cost of material consumed

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Raw materials at the beginning of the year	**3,805.86**	6,319.78
Add: Purchases	**1,02,786.51**	1,00,082.75
	1,06,592.37	1,06,402.53
Less: Raw material at the end of the year	**4,858.00**	3,805.86
Total	**1,01,734.37**	1,02,596.67
Particulars of materials consumed are as under:		
Sugarcane	**66,084.56**	73,250.95
Wood pulp	**8,519.70**	8,003.44
Others	**27,130.11**	21,342.28
Total	**1,01,734.37**	1,02,596.67

33. Purchase of traded goods

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Grain spirits	**13,151.74**	12,089.89
Total	**13,151.74**	12,089.89

34. Changes in inventories of finished goods and work-in-progress

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Opening stock		
Finished goods	**40,278.01**	44,677.80
Work-in-progress	**1,416.82**	1,372.29
Total	**41,694.83**	46,050.09
Closing stock		
Finished goods	**50,737.21**	40,278.01
Work-in-progress	**1,651.02**	1,416.82
Total	**52,388.23**	41,694.83
	(10,693.40)	4,355.26
Particulars of stocks of finished goods and work-in-progress are as under :		
Finished goods		
Sugar	**47,751.22**	37,603.24
Alcohol	**247.57**	744.77
Organic/ Fine chemicals	**1,072.35**	847.85
Industrial fibers	**1,666.07**	1,082.15
Total	**50,737.21**	40,278.01
Work-in-progress		
Sugar	**641.06**	554.77
Alcohol	**18.72**	19.06
Organic/ Fine chemicals	**581.81**	513.34
Industrial fibers	**409.43**	329.65
Total	**1,651.02**	1,416.82

35. Employee benefits expense

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Salaries, wages and bonus	**11,659.45**	11,058.99
Contribution to provident and other funds	**1,285.96**	1,107.30
Staff welfare expenses	**534.76**	464.45
Total	**13,480.17**	12,630.74

Refer note 45 for disclosure on gratuity.

36. Finance costs

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Interest expense	**2,301.55**	2,758.65
Other borrowing costs	**98.64**	55.67
Total	**2,400.19**	2,814.32

37. Depreciation and amortisation expense

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Depreciation on property, plant and equipment	**2,047.10**	1,890.79
Amortisation on intangible assets	**32.44**	33.37
Total	**2,079.54**	1,924.16

38. Other expenses

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Stores and spares	**8,848.24**	8,650.59
Power and fuel	**10,984.47**	8,825.16
Repair and maintenance		
- Buildings	**674.33**	1,004.34
- Plant and machinery	**4,375.68**	3,798.70
Rent *	**626.53**	599.70
Auditors' remuneration		
- As auditors	**25.59**	26.12
- Limited review of unaudited financial results	**22.50**	24.24
- Verification of statements and other records	**12.50**	8.09
- Out-of-pocket expenses	**4.18**	2.45
Insurance	**164.19**	175.89
Rates and taxes	**182.04**	33.89
(Decrease) / Increase in excise duty on finished goods	**-**	(2,882.20)
Freight and transport	**1,273.23**	1,013.87
Commission to selling agents	**2,180.83**	2,005.45
Loss on Export obligation**	**4,125.87**	-
Loss on sale of property, plant and equipment (net)	**-**	49.05
Donation	**0.20**	-
Corporate social responsibility (refer note below)	**172.00**	134.24
Bad debts and advances provided / written off	**-**	4.03
Miscellaneous expense	**5,856.03**	5,231.56
Total	**39,528.41**	28,705.17

Note: Details of corporate social responsibility expenditure		
a) Amount required to be spent by the Group during the year	**171.66**	133.99
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**31.44**	17.10
(ii) On purposes other than (i) above	**140.56**	117.14

* Refer note no 41.

** Consequent to Orders of Central Government allocating sugarfactory -wise Minimum Indicative Export Quotas (MIEQ) of sugar for export.

39. Income tax expense

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Current tax expense	**1,969.75**	1,518.30
Deferred tax charge/ (credit)*	**87.68**	(365.38)
Tax relating to earlier years		
- Income tax	**(0.14)**	-
- Deferred tax charge/ (credit)	**(335.05)**	-
Income tax expense reported in the statement of profit and loss	**1,722.24**	1,152.92

* including MAT credit of Rs.888.70 lakhs (March 31, 2018: Rs.368.18 Lakhs)

B. Amounts recognised in other comprehensive Income/ (expense)

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**43.34**	58.45
Income tax charged to other comprehensive income/(expense)	**43.34**	58.45

C. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended March 31, 2019 and March 31, 2018:

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Rate	**Rs. lakhs**	Rate	Rs. lakhs
Profit before tax from continuing operations, including OCI				
- Holding company	**34.94%**	**8,915.28**	34.61%	6,703.27
- Subsidiary company	**26.00%**	**83.53**	25.75%	79.78
Tax using the Company's domestic tax rate	**34.86%**	**3,137.07**	34.50%	2,340.41
Tax effect of:				
Non-deductible expenses	**0.63%**	**57.00**	0.74%	49.86
Non-taxable income	**0.00%**	**-**	0.00%	-
Tax-exempt income	**-17.47%**	**(1,572.48)**	-19.27%	(1,307.14)
Change in estimates	**0.25%**	**22.39**	0.00%	-
Others	**0.39%**	**34.92**	0.17%	11.34
Effective tax rate	**18.66%**	**1,678.90**	16.14%	1,094.47

D. Deferred tax assets/ liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Accrued expense deductible on payment	**275.17**	742.12	**-**	-	**275.17**	742.12
Provision for gratuity and compensated absences	**509.11**	322.17	**-**	-	**509.11**	322.17
Loss allowance for trade receivables	**10.47**	10.37	**-**	-	**10.47**	10.37
Loss allowance for other assets	**0.45**	0.45	**-**	-	**0.45**	0.45
Difference in book written down value and tax written down value of property, plant and equipment	**-**	-	**7,701.85**	7,226.57	**(7,701.85)**	(7,226.57)
Others	**22.51**	22.29	**178.07**	-	**(155.56)**	22.29
	817.71	1,097.40	**7,879.92**	7,226.57	**(7,062.21)**	(6,129.17)
MAT credit entitlement *	**4,034.08**	2,815.97	**-**	-	**4,034.08**	2,815.97
Net Deferred tax liability	**4,851.79**	3,913.37	**7,879.92**	7,226.57	**(3,028.13)**	(3,313.20)

* MAT credit entitlement in the Statement of profit and loss forms part of Deferred tax (credit) / charge for the year.

E. Availability of MAT Credit is as under :

	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Expire Year	**Gross amount**	Gross amount
2025-26		9.60
2026-27	**6.49**	7.74
2027-28	**292.56**	292.56
2028-29	**993.24**	993.24
2029-30	**298.86**	293.65
2030-31	**851.00**	851.00
2032-33	**703.23**	368.18
2033-34	**888.70**	-
	4,034.08	2,815.97

40. Operating segments

A. Basis for segmentation

In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013, the Group has identified three business segments viz. Sugar, Industrial fibres and related products, and Chemicals. The above segments have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. For each of the segments, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The CODM monitors the operating results separately for the purpose of making decisions about resource allocation and performance measurement (Refer Note 2B (O)).

The following summary describes the operations in each of the Company's reportable segments:

Sugar	Comprising sugar, power and alcohols
Industrial fibres and related products	Comprising rayon, synthetic yarn, cord, fabric etc.
Chemicals	Comprising organics & fine chemicals

B. Information about reportable segments

(Rs. lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	For the year ended 31.03.2019	For the year ended 31.03.2018	**For the year ended 31.03.2019**	For the year ended 31.03.2018	**For the year ended 31.03.2019**	For the year ended 31.03.2018	**For the year ended 31.03.2019**	For the year ended 31.03.2018	**For the year ended 31.03.2019**	For the year ended 31.03.2018
Segment revenue										
- External revenues	**92,680.41**	1,07,241.02	**38,344.59**	35,481.01	**33,527.01**	25,948.50	**-**	-	**1,64,552.01**	1,68,670.53
- Inter segment revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
- Other operating revenue	**2,384.25**	2,410.98	**1,450.38**	1,180.60	**513.54**	364.31	**-**	-	**4,348.17**	3,955.89
Subtotal	**95,064.66**	1,09,652.00	**39,794.97**	36,661.61	**34,040.55**	26,312.81	**-**	-	**1,68,900.18**	1,72,626.42
- Other income	**210.52**	48.79	**597.12**	841.41	**261.39**	149.61	**(3.06)**	(3.06)	**1,065.97**	1,036.75
- Unallocable income	**-**	-	**-**	-	**-**	-	**-**	-	**837.70**	588.24
Total revenue	**95,275.18**	1,09,700.79	**40,392.09**	37,503.02	**34,301.94**	26,462.42	**(3.06)**	(3.06)	**1,70,803.85**	1,74,251.41
Segment results	**7,259.24**	7,682.38	**3,986.78**	2,944.20	**3,204.39**	1,407.68	**-**	-	**14,450.41**	12,034.26
Unallocated expenses (net of unallocated income)									**2,927.39**	2,268.03
Operating profit/(loss)									**11,523.02**	9,766.23
Finance costs									**2,400.19**	2,814.32
Profit before share of profit of equity accounted investees and tax									9,122.83	6,951.91
Share of profit of equity accounted investees (net of tax)									85.93	68.45
Profit/(loss) before tax									**9,208.76**	7,020.36
Current tax expense									**1,969.75**	1,518.30
Deferred tax (credit)/ charge									**87.68**	(365.38)
Tax relating to earlier years									**(335.19)**	-
Net profit/(loss) after tax									**7,486.52**	5,867.44
Capital expenditure during the year	**4,754.98**	1,118.30	**2,523.64**	1,967.58	**1,232.44**	772.77				
Depreciation	**677.98**	633.53	**921.91**	848.43	**424.42**	396.53				
Non cash expense other than depreciation	**-**	4.51	**-**	3.75	**-**	148.16				

Rs. lakhs

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at 31.03.2019	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018	**As at 31.03.2019**	As at 31.03.2018
Segment assets	**74,583.29**	60,786.55	**34,443.90**	29,338.84	**16,851.40**	14,678.84	**-**	-	**1,25,878.59**	1,04,804.23
Unallocated assets									**8,546.06**	7,279.15
Total assets	**74,583.29**	60,786.55	**34,443.90**	29,338.84	**16,851.40**	14,678.84	**-**	-	**1,34,424.65**	1,12,083.38
Segment liabilities	**18,349.33**	9,579.00	**10,066.23**	8,469.00	**4,258.18**	3,845.45	**-**	-	**32,673.74**	21,893.45
Share capital and reserves									**49,827.28**	43,394.23
Unallocated liabilities									**51,923.63**	46,795.70
Total liabilities	**18,349.33**	9,579.00	**10,066.23**	8,469.00	**4,258.18**	3,845.45	**-**	-	**1,34,424.65**	1,12,083.38

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

C. Reconciliations of information on reportable segments to Ind AS measures

		For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
i	**Revenues**		
	Total revenue for reportable segments	**1,69,969.21**	1,73,666.23
	Unallocated amounts:		
	Revenue for other segments	**837.70**	588.24
	Inter-segment elimination	**(3.06)**	(3.06)
	Total revenue	**1,70,803.85**	1,74,251.41

		For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
ii	**Profit before tax**		
	Total profit before tax for reportable segments	**14,450.41**	12,034.26
	Unallocated cost:		
	Finance costs	**(2,400.19)**	(2,814.32)
	Other unallocated amounts	**(2,927.39)**	(2,268.03)
	Profit before tax as per statement of profit and loss	**9,122.83**	6,951.91

		For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
iii	**Assets**		
	Total assets for reportable segments	**1,25,878.59**	1,04,804.23
	Unallocated amounts:		
	Investments	**4,004.41**	2,342.10
	Corporate assets	**4,541.65**	4,937.05
	Total assets as per the balance sheet	**1,34,424.65**	1,12,083.38

		For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
iv	**Liabilities**		
	Total liabilities for reportable segments	**32,673.74**	21,893.45
	Unallocated amounts:		
	Share capital	**1,739.84**	1,739.84
	Reserves and Surplus	**48,087.44**	41,654.39
	Unallocated corporate liabilities	**51,923.63**	46,795.70
	Total liabilities as per the balance sheet	**1,34,424.65**	1,12,083.38

D. Geographical information

The geographical information analyses the Company's revenues and assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

		For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
i	**Revenues**		
	(a) India	**1,23,652.04**	1,35,624.21
	(b) Other countries		
	Europe	**14,130.72**	14,096.57
	China	**12,514.73**	10,126.17
	Rest of the World	**20,509.42**	14,407.52
	Total (b)	**47,154.87**	38,630.26
	(c) Inter-segment elimination	**(3.06)**	(3.06)
	Total (a+b+c)	**1,70,803.85**	1,74,251.41

	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
ii Assets		
(a) India	**1,20,852.77**	1,02,598.33
(b) Other countries		
Europe	**3,365.55**	1,593.95
China	**5,231.09**	3,312.71
Rest of the World	**4,975.24**	4,578.39
Total (b)	**13,571.88**	9,485.05
Total (a+b+c)	**1,34,424.65**	1,12,083.38

E. Major customer

Revenue from transactions with any single customer does not exceed 10 per cent or more of the company's total revenue.

41. Operating lease - As a lessee

The Group has entered into operating leases agreements for various premises taken for accommodation of Group's officers/ directors and various offices of the Group. The lease rental expense recognised in the Statement of Profit and Loss for the period in respect of leases is Rs. 626.53 lakhs (March 31, 2018: Rs. 599.70 lakhs).

42. Contingent liabilities and commitments

A. Contingent liabilities*

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Income tax matters**	**1,728.57**	1,708.75
Excise and Service tax matters	**108.18**	736.06
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**755.16**	640.42
Sales Tax matters	**55.06**	75.59
Sugarcane related matters	**4,545.26**	4,545.26
Share in contingent liabilities of associate company	**201.56**	197.43
Total	**7,393.79**	7,903.51

* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

** Includes Rs.1708.75 Lakhs for which order passed in favour of the group. It can be appealed by Income Tax Department to the High Court within prescribed time.

The group has not recognised any additional provident fund liability pursuant to a recent judgement dated 28th Febuary, 2019 by the Hon'ble Supreme Court pertaining to treatment of certain allowances as part of wages, as the applicability/impact is being ascertained and the date from which the judgment will be applicable is uncertain.

B. Commitments

a. Capital commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs. 3910.68 lakhs (March 31, 2018: Rs. 2492.74 lakhs).

b. Other commitments: The Group has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in normal course of business. The group does not have any long term commitments / contracts including derivative contracts for which there will be any material foreseeable losses.

43. Proceedings in a Petition challenging the Preferential Issue of equity warrants by the Group filed by a shareholder before the Hon'ble Company Law Board (now National Company Law Tribunal) are continuing since November, 2007.

44. Earnings per share

Basic and diluted earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Group by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit/ (loss) after tax attributable to equity shareholders	**Rs. lakhs**	**7,486.52**	5,867.44
Weighted average number of equity shares outstanding during the year	**Numbers**	**1,73,98,437**	1,73,98,437
Nominal value per share	**Rs.**	**10**	10
Basic and diluted earnings/ (loss) per share	**Rs.**	**43.03**	33.73

45. Employee benefits

A. Defined Contribution plans

Rs. 754.04 lakhs (March 31, 2018: Rs. 705.54 lakhs) for provident fund contribution and Rs. 178.92 lakhs (March 31, 2018: Rs. 163.85 lakhs) for superannuation fund contribution have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at rates specified in the rules of the schemes. In case of provident fund administered through a trust, shortfall if any, shall be made good by the Group.

B. Defined benefit plans

Liability for gratuity, privilege leaves and medical leaves is determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.

Gratuity:

Gratuity scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

The following table sets out the status of gratuity obligation

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Net Gratuity liability / (asset)	**196.58**	179.79
Non current	**196.58**	179.79
Current	**-**	-
	196.58	179.79

For details about the related employee Gratuity expenses, refer note 35.

(i) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for gratuity liability and its components

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**3,558.15**	3,416.40
Current service cost	**209.29**	194.71
Interest cost	**275.76**	247.69
Actuarial (gains) / losses recognised in other comprehensive income	**161.69**	39.08
Benefits paid	**(349.75)**	(339.73)
Balance at the end of the year	**3,855.14**	3,558.15

(ii) Reconciliation of the plan assets

The following table shows a reconciliation from the opening balances to the closing balances for the plan assets and its components

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**3,378.36**	3,449.74
Expected return on plan assets	**261.82**	250.11
Contribution by the company	**11.65**	13.99
Benefits paid	**(30.94)**	(205.68)
Actuarial (gains) / losses recognised in other comprehensive income	**37.67**	(129.80)
Balance at the end of the year	**3,658.56**	3,378.36

(iii) Expense recognized in profit or loss

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Current service cost	**209.29**	194.71
Interest cost	**275.76**	247.69
Expected return on plan assets	**(261.82)**	(250.11)
Actuarial (gains) / losses recognised in other comprehensive income	**124.02**	168.88
	347.25	361.17

(iv) Constitution of plan assets

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Other than equity, debt, property and bank account	**-**	-
Funded with LIC*	**3,658.56**	3,378.36

* The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of Investments maintained by Life Insurance Corporation are not made available and have therefore not been disclosed.

(v) Remeasurements recognized in other comprehensive income

Particulars	**For the year ended 31.03.2019 Rs. lakhs**	For the year ended 31.03.2018 Rs. lakhs
Actuarial (gain) / loss on gratuity obligation	**124.02**	168.88

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

(vi) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Financial assumptions		
Discount rate	**7.65%**	7.75%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**7.75%**	7.25%
Expected average remaining working lives of employees (years)	**16.69**	16.27
Demographic assumptions		
Mortality rate	**IALM (2012-14)**	IALM (2006-08)
Withdrawal rate	**Up to 30 years- 3%**	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	**58 years and 60 years**	58 years and 60 years

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs.247.35 lakhs (March 31, 2019: Rs. 230.06 lakhs).

(vii) Sensitivity analysis

The significant actuarial assumption for the determination of defined benefit obligations are discount rate and expected salary increase.

Sensitivity of gross benefit obligation as mentioned above, in case of change in significant assumptions would be as under:

Particulars	For the year ended 31.03.2019 Rs. lakhs		For the year ended 31.03.2018 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(449.96)**	**176.32**	(457.66)	212.14
Future salary growth (0.50%)	**181.08**	**(462.11)**	217.86	(470.02)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality & withdrawls are insignificant & hence not considered in sensitivity anaylsis disclosed.

(viii) Maturity profile

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
Within 1 year	**75.66**	840.50
1 year to 5 years	**1,716.74**	1,215.38
More than 5 years	**2,123.22**	2,194.14

C. Compensated absences:

The obligation of compensated absences in respect of the employees of the Group as at March 31, 2019 works out to Rs. 1,260.35 lakhs (March 31, 2018: Rs. 1,149.41 lakhs)

D. Risk exposure:

These defined benefit plans typically expose the Group to actuarial risks as under:

a) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk

A decrease in bond interest rate will increase the plan liability. However, this shall be partially off-set by increase in return as per debt investments.

c) Longevity risk

The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

d) Salary risk

Higher than expected increase in salary will increase the defined benefit obligation.

46. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

A. Names of related parties and nature of related party relationship

Key management personnel

Mr. S.B. Mathur, Chairman
Mr. Tilak Dhar, Senior Managing Director
Mr. Alok B.Shriram, Joint Managing Director
Mr. Madhav B.Shriram, Deputy Managing Director
Mr. K.N. Rao, Director & CEO Rayons
Mr. P.R. Khanna, Independent Director
Mr. Ravinder Narain, Independent Director
Mr. S.C. Kumar, Independent Director
Mr. C. Vikas Rao, Independent Director
Ms.V. Kavitha Dutt , Independent Director
Mr. Sanjay C. Kirloskar, Independent Director (w.e.f. 01/09/2018)
Mr. N.K. Jain, Chief Financial Officer
Mr. Y.D. Gupta, Chief General Manager & Company Secretary

Relatives/HUF of key management personnel

M/s. Bansi Dhar & Sons - HUF
Mr. Akshay Dhar
Ms. Kanika Shriram
Mr. Rudra Shriram
Mr. Rohan Shriram
Mr. Uday Shriram
Mrs. K. Rao
Mrs. Anita Gupta
Mrs. Manju Jain
Mr. Nirmal Kumar Jain
Mrs. Maya Rani Jain
Mr. Rajat Jain
Mrs. Kiran Khanna
Mr. P. R. Khanna (HUF)

Others (Enterprises over which key management personnel or their relatives are able to exercise significant influence)

Bantam Enterprises Private Limited
H.R. Travels Private Limited
Hindustan Vaccum Glass Private Limited

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

B. Transactions with related parties: (Rs. lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Rent expenses		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**132.45**	128.16
Mrs. K. Rao	**4.08**	3.90
Mrs. Manju Jain	**11.76**	11.76
Mrs Anita Gupta	**7.54**	7.54
Ms. Kanika Shriram	**11.68**	-
Others		
Bantam Enterprises Private Limited	**32.09**	32.17
H.R. Travels Private Limited	**7.65**	7.65
Total	**207.25**	191.18
Interest expense		
Key management personnel		
Mr. Alok B. Shriram	**2.01**	4.55
Relatives of Key management personnel		
Mr. Rohan Shriram	**1.96**	0.77
Ms. Kanika Shriram	**0.18**	0.68
Mr. Rudra Shriram	**0.25**	0.22
Mr. Uday Shriram	**1.09**	0.37
Mrs. Anita Gupta	**0.82**	0.67
Mrs. Manju Jain	**9.20**	8.90
Mr. Nirmal Kumar Jain	**3.21**	3.21
Mrs. Maya Rani Jain	**1.27**	1.27
Independent Directors & their relatives/HUF		
Mr. P. R. Khanna	**1.03**	1.05
Mr. P. R. Khanna (HUF)	**1.05**	1.05
Mrs. Kiran Khanna	**1.81**	1.84
Total	**23.88**	24.58
Purchase of goods		
Others		
Hindustan Vaccum Glass Private Limited	**-**	30.02
Other expenses		
Others		
Hindustan Vaccum Glass Private Limited	**46.27**	-
Purchase of property, plant and equipment		
Others		
Hindustan Vaccum Glass Private Limited	**11.01**	-
Public deposits received		
Key management personnel		
Mr. Alok B. Shriram	**-**	75.00
Relatives of key management personnel		
Mr. Rohan Shriram	**-**	18.00
Ms. Kanika Shriram	**-**	5.00
Mr. Uday Shriram	**-**	10.00
Mrs. Anita Gupta	**-**	2.00
Mrs. Manju Jain	**-**	2.00
Total	**-**	112.00

(Rs. lakhs)

Security deposit paid		
Relatives/HUF of key management personnel		
Ms. Kanika Shriram	**7.01**	-
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs Manju Jain	**-**	1.39
Mrs Anita Gupta	**-**	0.66
Total	**-**	2.05
Public Deposits paid		
Key Management Personnel		
Mr. Alok B. Shriram	**75.00**	-
Relatives of Key Management Personnel		
Ms. Kanika Shriram	**8.90**	-
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Tilak Dhar	**296.20**	227.59
Mr. Alok B.Shriram	**296.20**	227.58
Mr. Madhav B.Shriram	**296.20**	227.58
Mr. K.N. Rao	**61.93**	57.39
Mr. N. K. Jain	**41.03**	39.69
Mr. Y. D. Gupta	**26.76**	24.98
Relatives of key management personnel	**82.15**	60.00
Total	**1,100.47**	864.81
Post-employment defined benefit plan		
Gratuity		
Mr. Tilak Dhar	**56.10**	6.02
Mr. Alok B.Shriram	**41.65**	4.89
Mr. Madhav B.Shriram	**43.04**	4.65
Mr. K.N. Rao	**4.81**	4.22
Mr. N.K. Jain	**3.18**	1.92
Mr. Y.D. Gupta	**2.76**	3.61
Relatives of key management personnel	**2.21**	3.83
Total	**153.75**	29.14
Other long term defined benefit plan		
Compensated absences		
Mr. Tilak Dhar	**21.03**	3.79
Mr. Alok B.Shriram	**20.70**	3.11
Mr. Madhav B.Shriram	**21.60**	2.92
Mr. K.N. Rao	**1.24**	2.42
Mr. N. K. Jain	**1.40**	(0.49)
Mr. Y. D. Gupta	**0.65**	1.23
Relatives of key management personnel	**2.84**	5.34
Total	**69.46**	18.32
Commission to Independent Directors		
Mr. P. R. Khanna	**17.05**	14.26
Mr. S. B. Mathur	**17.05**	13.38
Mr. Ravinder Narain	**14.95**	12.50
Mr. S. C. Kumar	**17.05**	14.26
Mr C Vikas Rao	**12.85**	10.73
Ms.V. Kavitha Dutt	**12.85**	10.73
Mr. Sanjay C. Kirloskar	**6.96**	-
Total	**98.76**	75.86
Total compensation paid to key management personnel	**1,422.44**	988.13

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

Balances with related parties (Rs. lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Receivable		
Relatives/HUF of key management personnel		
M/s. Bansi Dhar & Sons - HUF	**35.10**	35.10
Mrs. K. Rao	**1.02**	0.93
Mrs. Manju Jain	**3.92**	3.92
Mrs. Anita Gupta	**2.51**	2.51
Ms. Kanika Shriram	**7.01**	-
Others		
Hindustan Vaccum Glass Private Limited	**-**	19.35
Total	**49.56**	61.81
Payables		
Public deposits including interest accrued		
Key management personnel		
Mr. Alok B. Shriram	**-**	79.55
Relatives/HUF of key management personnel		
Mr. Rohan Shriram	**20.73**	18.77
Ms. Kanika Shriram	**-**	8.72
Mr. Rudra Shriram	**2.50**	2.25
Mr. Uday Shriram	**11.46**	10.37
Mrs. Anita Gupta	**7.23**	7.70
Mrs. Manju Jain	**84.82**	102.54
Mr. Nirmal Kumar Jain	**32.06**	32.06
Mrs. Maya Rani Jain	**12.70**	12.70
Independent Directors & their relatives		
Mr. P. R. Khanna	**10.00**	10.00
Mr. P. R. Khanna (HUF)	**10.00**	10.00
Mrs. Kiran Khanna	**17.50**	17.50
Total	**209.00**	312.16
Trade payables		
Others		
Hindustan Vaccum Glass Private Limited	**23.95**	-
Commission to Independent Directors		
Mr. P. R. Khanna	**17.05**	14.26
Mr. S. B. Mathur	**17.05**	13.38
Mr. Ravinder Narain	**14.95**	12.50
Mr. S. C. Kumar	**17.05**	14.26
Mr C Vikas Rao	**12.85**	10.73
Ms.V. Kavitha Dutt	**12.85**	10.73
Mr. Sanjay C. Kirloskar	**6.96**	
Total	**98.76**	75.86
Remuneration		
Key management personnel		
Mr. Tilak Dhar	**186.55**	153.28
Mr. Alok B.Shriram	**193.64**	155.03
Mr. Madhav B.Shriram	**196.80**	157.83
Total	**576.99**	466.14

Note:
Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

47. Financial instruments – Fair values and risk management

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on March 31, 2018

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	494.12	**494.12**	-	-	494.12
(ii) Other financial assets*	-	-	159.66	**159.66**	-	-	-
Current							
(i) Investments*							
Equity instrument (Mutual funds)	-	-	-	**-**	-	-	-
(ii) Trade receivables*	-	-	16,488.27	**16,488.27**	-	-	-
(iii) Cash and cash equivalents*	-	-	867.39	**867.39**	-	-	-
(iv) Other Bank balances*	-	-	1,053.56	**1,053.56**	-	-	-
(v) Loans*	-	-	611.91	**611.91**	-	-	-
(vi) Other financial assets*	-	-	928.96	**928.96**	-	-	-
Total	**-**	**-**	**20,603.87**	**20,603.87**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	3,202.55	**3,202.55**	-	-	3,202.55
(ii) Other financial liabilities*	-	-	90.97	**90.97**	-	-	90.97
Current							
(i) Borrowings#	-	-	36,090.76	**36,090.76**	-	-	-
(ii) Trade payables*	-	-	19,795.60	**19,795.60**	-	-	-
(iii) Other financial liabilities*	-	-	3,378.55	**3,378.55**	-	-	-
Total	**-**	**-**	**62,558.43**	**62,558.43**			

ii. As on March 31, 2019

(Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	500.24	**500.24**	-	-	500.24
(ii) Other financial assets*	-	-	99.67	**99.67**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	1,710.18	-	-	**1,710.18**	1,710.18	-	-
(ii) Trade receivables*	-	-	19,053.59	**19,053.59**	-	-	-
(iii) Cash and cash equivalents*	-	-	615.02	**615.02**	-	-	-
(iv) Other Bank balances*	-	-	1,425.02	**1,425.02**	-	-	-
(v) Loans*	-	-	317.11	**317.11**	-	-	-
(vi) Other financial assets*	**-**	**-**	344.25	**344.25**	-	-	-
Total	**1,710.18**	**-**	**22,354.90**	**24,065.08**			
Financial liabilities							
Non-current							
(i) Borrowings#	-	-	8,321.62	**8,321.62**	-	-	8,321.62
(ii) Other financial liabilities*	-	-	73.93	**73.93**	-	-	73.93
Current							
(i) Borrowings#	-	-	34,791.90	**34,791.90**	-	-	-
(ii) Trade payables*	-	-	30,882.22	**30,882.22**	-	-	-
(iii) Other financial liabilities*	-	-	4,414.90	**4,414.90**	-	-	-
Total	**-**	**-**	**78,484.57**	**78,484.57**			

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

\# The Group's borrowings have been contracted at both floating and fixed rates of interest. The borrowings at floating rates reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investments, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represents security deposits given to various parties, loans and advances to employees and bank deposits (due for maturity after twelve months from the reporting date), and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2019 and March 31, 2018.

Valuation

Following financial instruments are remeasured at fair value as under :

(a) The fair value of investments in quoted Equity Shares and Mutual Funds are measured at quoted price or NRV.

(b) All foreign currency denominated assets are translated using exchange rate at reporting date.

Risk Management

The Group manages risk arising from financial instruments as under :

b. Financial risk management

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Investments	**1,710.18**	-
Trade receivables	**19,053.59**	16,488.27
Cash and cash equivalents	**615.02**	867.39
Other bank balances	**1,425.02**	1,053.56
Loans	**817.35**	1,106.03
Other financial assets	**443.92**	1,088.62

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the Group. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to outstanding receivables. The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the Group had long standing satisfactory dealings.

The Group's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount	
Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
1-90 days past due *	**7,183.28**	5,125.98
91 to 180 days past due	**19.32**	3.29
More than 180 days past due #	**12.59**	0.02
Not due	**11,838.40**	11,358.98
	19,053.59	16,488.27

* The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

\# The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables both domestic and overseas, are from parties with whom the group had long standing satisfactory dealings.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	For the year ended 31.03.2019 Rs. lakhs	For the year ended 31.03.2018 Rs. lakhs
Balance at the beginning of the year	**29.97**	29.97
Impairment loss recognised / (reversed)	**-**	-
Amount written off	**-**	-
Balance at the end of the year	**29.97**	29.97

Note

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally transacts with the Banks with high credit ratings assigned by domestic and international credit rating agencies.

Other financial assets

Other financial assets do not have any significant credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs.2,040.04 lakhs as at March 31, 2019 (March 31, 2018 Rs. 1,920.95 lakhs), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

i. Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31.03.2019 Rs. lakhs	As at 31.03.2018 Rs. lakhs
From banks	**9,281.73**	2,234.12

ii. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted: (Rs. lakhs)

As at March 31, 2018	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	3,202.55	-	3,202.55	-	3,202.55
Other financial liabilities	90.97	-	90.97	-	90.97
Current liabilities					
Borrowings	36,090.76	36,090.76	-	-	36,090.76
Trade payables	19,795.60	19,795.60	-	-	19,795.60
Other financial liabilities	3,378.55	3,378.55	-	-	3,378.55
Total	**62,558.43**	**59,264.91**	**3,293.52**	**-**	**62,558.43**

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

(Rs. lakhs)

As at March 31, 2019	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings	8,321.62	-	7,973.47	348.15	8,321.62
Other financial liabilities	73.93	-	73.93	-	73.93
Current liabilities					
Borrowings	34,791.90	34,791.90	-	-	34,791.90
Trade payables	30,882.22	30,882.22			30,882.22
Other financial liabilities	4,414.90	4,414.90			4,414.90
Total	**78,484.57**	**70,089.02**	**8,047.40**	**348.15**	**78,484.57**

(iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Group.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees (lakhs) as at March 31, 2019 and March 31, 2018.

(Rs. lakhs)

Particulars	As at March 31, 2019			
	USD	EURO	GBP	AUD
Financial assets				
Trade receivables	1,959.83	23.31	-	-
Forward Contract	-	-	-	-
Sundry Advances	2.70	3.75	-	-
	1,962.53	**27.06**	**-**	**-**
Financial liabilities				
Borrowings	-	4.81	-	-
Trade payables	767.45	18.20	-	-
Commission & discount	18.13	3.99	-	-
Acceptances	88.81	-	-	-
Royalty	-	8.31	-	-
	874.39	**35.31**	**-**	**-**

(Rs. lakhs)

Particulars	As at March 31, 2018			
	USD	EURO	GBP	AUD
Financial assets				
Trade receivables	7,910.26	1,593.95	51.87	-
Forward Contract	130.28	80.82	-	-
Sundry Advances	14.51	0.81	-	0.52
	8,055.05	**1,675.58**	**51.87**	**0.52**
Financial liabilities				
Borrowings	205.68	352.15	-	-
Trade payables	952.44	44.50	0.23	-
Commission & discount	811.20	444.25	-	-
Acceptances	2,789.98	-	-	-
Royalty	-	8.31	-	-
	4,759.30	**849.21**	**0.23**	**-**

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2019 (previous year ended as on March 31, 2018) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Weakening	Strengthening	Weakening	Strengthening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended March 31, 2019				
USD	10.88	(10.88)	7.08	(7.08)
EUR	(0.08)	0.08	(0.05)	0.05
	10.80	**(10.80)**	**7.03**	**(7.03)**
For the year ended March 31, 2018				
USD	32.96	(32.96)	21.55	(21.55)
EUR	8.26	(8.26)	5.40	(5.40)
GBP	0.52	(0.52)	0.34	(0.34)
AUD	0.01	(0.01)	0.00	(0.00)
	41.75	**(41.75)**	**27.29**	**(27.29)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, AUD: Australian Dollar

(iii) Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**1,425.02**	1,053.56
Loans	**817.35**	1,106.03
Other Financial assets	**443.92**	1,088.62
Total	**2,686.29**	3,248.21
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**5,645.08**	967.57
Public Deposits	**557.63**	655.49
Variable-rate instruments		
Term loans	**5,593.94**	4,229.59
Cash Credit	**34,791.90**	36,090.76
Total	**46,588.55**	41,943.41

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. lakhs)

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended March 31, 2019				
Interest on term loans	(55.94)	55.94	(36.39)	36.39
Interest on cash credits	(347.92)	347.92	(226.34)	226.34
For the year ended March 31, 2018				
Interest on term loans	(48.62)	48.62	(31.79)	31.79
Interest on cash credits	(360.91)	360.91	(236.00)	236.00

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

48. Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Group's debt to capital ratio, which is calculated as interest-bearing debts (less cash & cash equivalents) divided by total capital (equity attributable to equity share holders plus interest-bearing debt) is as under:

Particulars	**As at 31.03.2019 Rs. lakhs**	As at 31.03.2018 Rs. lakhs
Borrowings	**46,588.55**	41,943.41
Less : Cash and cash equivalent	**(615.02)**	(867.39)
Adjusted net debt (A)	**45,973.53**	41,076.02
Total equity (B)	**49,827.28**	43,394.23
Adjusted net debt to adjusted equity ratio (A/B)	**92.27%**	94.66%

49. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiary company

The group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(Rs.lakhs)

Name of entity	**"Place of business/ country of incorporation"**	**Ownership interest held by the group as at**		**Ownership interest held by non-controlling interests as at**		**Principal activities**
		As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	
Daurala Foods and Beverages Private Limited	India	**100.00**	100.00	**-**	-	The Company deploys its surplus funds in permitted securities such as short term mutual Funds, Bank Deposits etc.

(b) Summarised financial information for associate company

The tables below provide summarised financial information for associates of the group. The information disclosed reflects the amounts presented in the financial statements of the associate companies and not the Group's share of those amounts.

(i) Summarised balance sheet

(Rs.lakhs)

Particulars	**DCM Hyundai Limited**	
	As at 31.03.2019	As at 31.03.2018
Current assets		
Cash and cash equivalents	**23.34**	13.87
Other assets	**1,724.36**	1,284.72
Total current assets	**1,747.70**	1,298.59
Total non-current assets	**5031.87**	6063.49
Current liabilities		
Financial liabilities (excluding trade payables)	**17.72**	46.52
Other liabilities	**55.80**	0.29
Total current liabilities	**73.52**	46.81
Non-current liabilities		
Financial liabilities (excluding trade payables)	**1,985.00**	2,478.67
Other liabilities	**2.40**	20.81
Total non-current liabilities	**1987.40**	2,499.48
Net assets	**4,718.65**	4,815.79

(ii) Reconciliation to carrying amounts

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at 31.03.2019	As at 31.03.2018
Opening net assets	**4,815.79**	6,700.72
Profit for the year	**174.37**	138.90
Other comprehensive income	**(271.51)**	(2,023.83)
Dividends paid	**-**	-
Closing net assets	**4,718.65**	4,815.79
Group's share in %	**49.28%**	49.28%
Group's share in INR	**2,325.43**	2,373.30
Goodwill	**-**	-
Consolidation adjustments	**(31.20)**	(31.20)
Carrying amount	**2,294.23**	2,342.10

(iii) Summarised statement of profit and loss

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from operations	**199.54**	474.11
Other income	**269.16**	290.30
Depreciation and amortisation	**43.35**	44.19
Interest expense	**-**	5.51
Income tax expense	**4.31**	67.19
Profit for the year	**174.37**	138.90
Other comprehensive income	**(271.51)**	(2,023.83)
Total comprehensive income	**(97.14)**	(1,884.93)
Dividends received	**-**	-

50. Disclosure as per Schedule III to the Companies Act, 2013

(Rs.lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
DCM Shriram Industries Limited								
31 March 2019	**93.22%**	**47,231.37**	**98.03%**	**7,357.66**	**37.62%**	**(80.68)**	**99.81%**	**7,276.98**
31 March 2018	92.27%	40,793.38	97.86%	5,755.77	9.97%	(110.43)	118.26%	5,645.34
Subsidiary								
Daurala Foods & Beverages Private Limited								
31 March 2019	**2.25%**	**1,139.69**	**0.83%**	**61.95**	**0.00%**	**-**	**0.85%**	**61.95**
31 March 2018	2.44%	1,077.74	0.97%	57.16	0.00%	-	1.20%	57.16
Associate								
DCM Hyundai Limited								
31 March 2019	**4.53%**	**2,294.23**	**1.14%**	**85.93**	**62.38%**	**(133.80)**	**-0.66%**	**(47.87)**
31 March 2018	5.30%	2,342.10	1.16%	68.45	90.03%	(997.38)	-19.46%	(928.93)
Total								
31 March 2019	**100.00%**	**50,665.29**	**100.00%**	**7,505.54**	**100.00%**	**(214.48)**	**100.00%**	**7,291.06**
31 March 2018	100.00%	44,213.22	100.00%	5,881.39	100.00%	(1,107.81)	100.00%	4773.57
Adjustment due to consolidation								
31 March 2019		**838.00**		**19.02**		**-**		**19.02**
31 March 2018		818.99		13.94		-		-
Consolidation Net Asset / Profit after Tax								
31 March 2019		**49,827.29**		**7,486.52**		**(214.48)**		**7,272.04**
31 March 2018		43,394.23		5,867.44		(1,107.81)		4,759.63

51. Research and development expenses amounting to Rs. 552.33 lakhs (March 31, 2018: Rs. 472.95 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. Nil (March 31, 2018: Rs. 48.61 lakhs) has been included in property, plant and equipment.

Notes to the Consolidated financial statements for the year ended March 31, 2019 (continued)

52. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows.

(Rs.lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**337.19**	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

53. Disclosure related to government grant

The government grants/government assistance recognised are as under:

Nature of Grant/assistance	**For the year ended March 31, 2019 (Rs.lakhs)**	For the year ended March 31, 2018 (Rs.lakhs)
Subvention on loan interest	**172.31**	350.42
Interest subsidy in respect of loan at concessional rate	**113.74**	-
Grant against cane purchased	**990.69**	-
Grant for payment of cane dues subject to fulfilment of sugar export obligation and other conditions	**1187.19**	-
Subsidy against maintainence of buffer stock	**504.11**	-

54. Immovable properties of Rs. 888.99 lakhs yet to be endorsed in the name of Group are as under :

(Rs.lakhs)

Particulars	**Amount as on March 31, 2019**	**Remarks**
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	844.04 *	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	44.95	The title deeds are in the name of Daurala Organics Limited which was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court

* Includes leasehold land Rs. 465.00 lakhs at Kota, Rajasthan.

As per our report of even date attached
For BSR & CO. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022
Kaushal Kishore
Partner
Membership No.: 090075
Place : New Delhi
Date : 27.5.2019

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager & Company Secretary

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Sl. No.	-
2.	Name of the subsidiary	Daurala Foods & Beverages Pvt. Ltd.
3.	The date since when subsidiary was acquired	6th February, 2007
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
6.	Share capital	7,50,00,000
7.	Reserves & surplus	3,89,68,949
8.	Total assets	11,40,82,014
9.	Total Liabilities	11,40,82,014
10.	Investments	-
11.	Turnover	85,20,327
12.	Profit before taxation	83,53,056
13.	Provision for taxation	21,57,972
14.	Profit after taxation	61,95,084
15.	Proposed Dividend	-
16.	% of shareholding	100%

Note: There is no subsidiary which is yet to commence operations or which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(Rs.)

Name of Associates /Joint Ventures	DCM Hyundai Ltd.
1. Latest audited Balance Sheet Date	March 31, 2019
2. Date on which the Associate was associated	July 17, 1995
3. Shares of Associate/Joint Ventures held by the company on the year end:	
- No.	19,72,000
- Amount of Investment in Associates/Joint Venture	Rs. 1,66,00,005/-
- Extent of Holding %	49.28%
4. Description of how there is significant influence	Holding more than 20% Equity Share Capital
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 23,25,34,866/-
7. Profit / Loss for the year	
i) Considered in Consolidation	Rs. 85,93,099/-
ii) Not Considered in Consolidation	Rs. 88,44,197/-

Note : There is no associate or joint venture which is yet to commence operations or which has been liquidated or sold during the year.

For and on behalf of the Board of Directors
DCM Shriram Industries Limited

B.P. Khandelwal
President

N.K. Jain
Chief Financial Officer

Y.D. Gupta
Chief General Manager &
Company Secretary

S.B Mathur
Chairman

Tilak Dhar
Sr. Managing Director

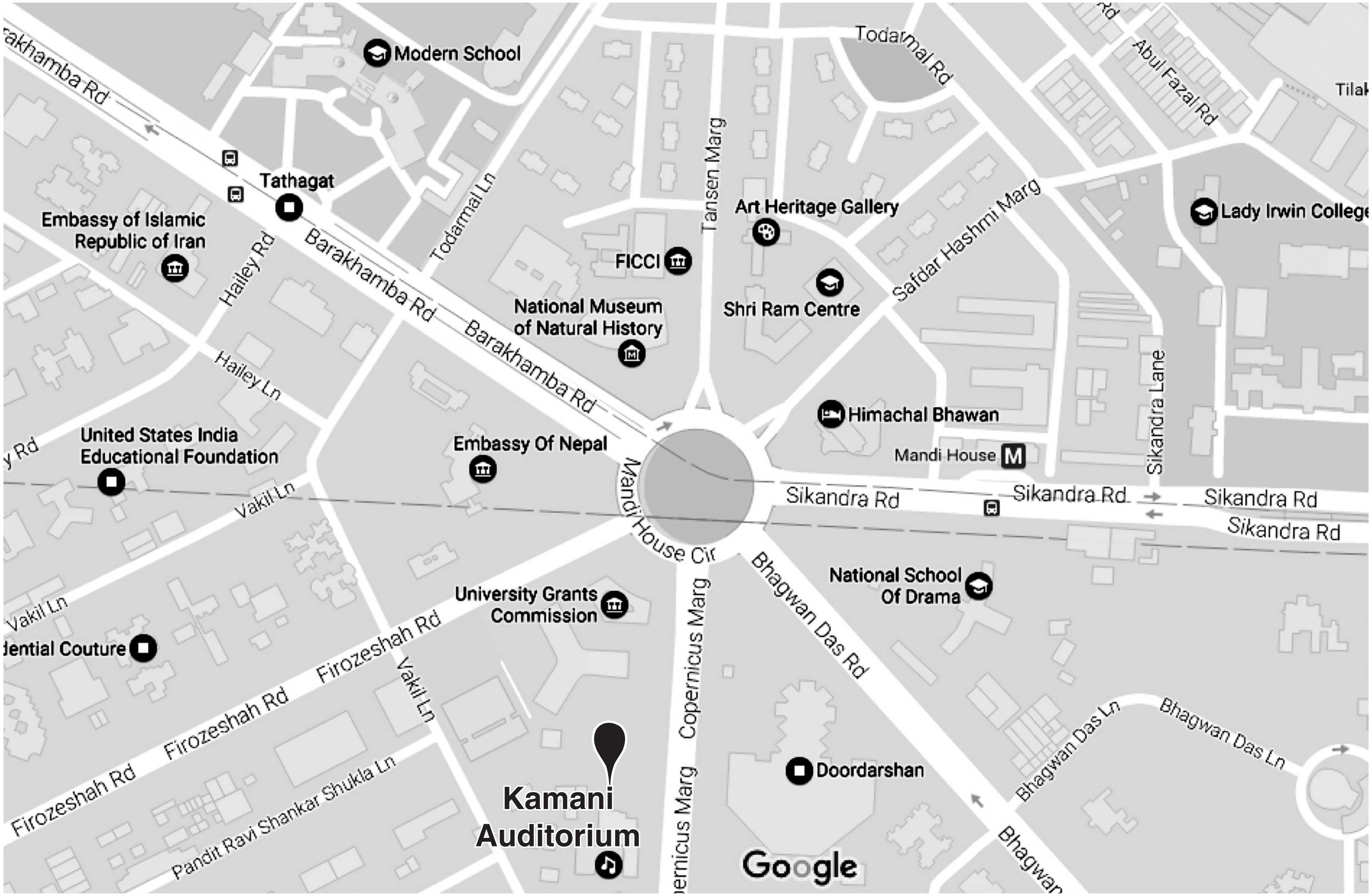
Alok B. Shriram
Jt. Managing Director

Madhav B. Shriram
Dy. Managing Director

P.R. Khanna
Director

Place : New Delhi
Date : 27.5.2019

Route Map Kamani Auditorium, 1, Copernicus Marg



DCM SHRIRAM INDUSTRIES LIMITED

(CIN: L74899DL1989PLC035140)
Regd.Office:Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110 001

ADMISSION SLIP

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE TO THE MEETING.

I HEREBY RECORD MY PRESENCE AT THE 28th ANNUAL GENERAL MEETING OF DCM SHRIRAM INDUSTRIES LIMITED ON TUESDAY, THE 13th AUGUST, 2019 AT 11.00 AM AT **Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi- 110 001**

SIGNATURE OF THE SHAREHOLDER/ PROXY

Notes:- Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them.

- Shareholders having any queries on accounts are requested to send them 10 days in advance of the date of Annual General Meeting to the Company to enable it to collect the relevant information.

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note: Please read instructions in Note 12 of the Notice of the 28th Annual General Meeting of the Company before casting your vote through e-voting.

DCM SHRIRAM INDUSTRIES LIMITED

(CIN: L74899DL1989PLC035140)
Regd. Office:Kanchenjunga Building, 18 Barakhamba Road, New Delhi – 110 001

MGT- 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (management and Administration) Rules, 2014]

Member's Folio/ DP ID-Client ID No. ....
Name of Member(s) : ……..………………..……….…………..…….……
Registered Address :……..…….…………..……….………..……..………….…….……
……..…….…………..……….………..……..………….…….……

I/ We, being the Members(s), holding ……..………… shares of the above named company, hereby appoint:

1) Name …………………………………………. Address: ………………..
Email ID ………………………………………. Signature: ……………….......... or failing him/ her
2) Name …………………………………………. Address: ………………..
Email ID ……………………………….…… Signature: ……………….......... or failing him/ her
3) Name …………………………………………. Address: ………………..
Email ID ……………………………………. Signature: ……………….........

as my/ our Proxy to attend and vote (on a poll) for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on **Tuesday, 13th August, 2019 at the Kamani Auditorium, 1, Copernicus Marg (Near Mandi House), New Delhi- 110 001** and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
Ordinary Business:		**FOR**	**AGAINST**
1	Adoption of Audited Financial Statements – 2018-19		
2	Declaration of Dividend on equity shares		
3	Appointment of Shri Alok B. Shriram, who retires by rotation and, being eligible, offers himself for reappointment		
Special Business :			
4	Ratification of remuneration to Cost Auditors – 2019-20		
5	Appointment of Additional Director (Nominee - LIC) - Shri C. Vikas Rao		
6	Reappointment of Ms. V. Kavitha Dutt, Independent Director		

Signed this ……………. Day of ……………………. 2019

Signature of the Shareholder(s).............

Email ID :……..…….…………..…….……

Affix
Revenue
Stamp

Signature of Proxy holder(s) ....

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Regd. office of the Company not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General meeting, which is part of the Annual Report.
3*. It is optional to put a `X' in the appropriate column against the Resolutions indicated in the Box. If you leave the `For" or `Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.