DCM SHRIRAM INDUSTRIES LTD.

DCM SHRIRAM

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

Dated: 5th August, 2021

To,

BSE Ltd.

Pheroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai-400001

SCRIP CODE: 523369

Sub: Annual Report for the Financial Year 2020-21

Dear Sir(s),

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we attach herewith the Annual Report of the Company containing e-AGM Notice for the financial year 2020-21. This has been emailed to the members who have registered their Email-ID with the Company / Depository Participants (DPs) on 5th August, 2021. The same is also available on the website of the Company i.e., www.dcmsr.com.

Thanking you,

Yours faithfully,

DCM SHRIRAM INDUSTRIES LTD. NEW DELHI

(Y. D. Gupta)
Company Secretary &
Compliance Officer
FCS 3405

TEL: (011) 43745000 ☐ FAX : (011) 23315424 ☐ 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 2020-21

DCM SHRIRAM INDUSTRIES LIMITED

Board of Directors	Shri S.B. Mathur	Chairman – Non Executive
	Shri Alok B. Shriram	Sr. Managing Director & CEO
	Shri Madhav B. Shriram	Managing Director
	Mrs. Urvashi Tilak Dhar	Whole Time Director
	Shri N.K. Jain	Director Finance & CFO
	Shri P.R. Khanna	
	Shri Ravinder Narain	
	Shri S.C. Kumar	
	Ms. V. Kavitha Dutt	
	Shri Sanjay C. Kirloskar	
	Shri Manoj Kumar	
	Shri Mukesh Gupta	LIC Nominee
Principal Executives	Shri V.K. Jaitly	Chief Operating Officer (Business Group Rayons)
	Shri Sanjay Rastogi	Vice President (Sugar)
	Shri Aseem Kr. Srivastava	Chief Executive Officer (Chemicals)
Company Secretary	Shri Y.D. Gupta	Vice President (Law & Taxation)
Bankers	State Bank of India	
	Punjab National Bank	
	Axis Bank Ltd.	
	Meerut Zila Sahkari Bank Ltd.	
	Muzaffar Nagar Zila Sahkari Bank Ltd.	
Auditors	B S R & Co., LLP	
	Gurugram	
Registered Office	Kanchenjunga Building,	CIN : L74899DL1989PLC035140
	5th Floor,	Tel. No. : (011) 2375 9300 / (011) 43745000
	18, Barakhamba Road,	E-mail : dsil@dcmsr.com
	New Delhi - 110 001	Website : https://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Registered Office : "Kanchenjunga", 18, Barakhamba Road, New Delhi - 110 001

CIN: L74899DL1989PLC035140 Telephone : 011-43745000

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

NOTICE

The 30th Annual General Meeting of the Company will be held on Wednesday, the 8th September, 2021 at 11:00 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

Ordinary Business:

1. **To consider and adopt:**
    a) The Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon, and
    b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Report of the Auditors thereon.

2. **To declare Final Dividend of Rs. 2.5 (25%) per equity share of Rs. 10 each and to confirm the interim dividend of Rs. 5 per equity share of Rs. 10 each (50%) already paid during the financial year 2020-21.**

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

    To appoint a director in place of Smt. Urvashi Tilak Dhar (DIN: 00294265), who retires by rotation and being eligible, offers herself 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.1.67 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 2021-22, be and is hereby ratified and confirmed."

5. **Appointment of Shri Vineet Manaktala as a director in the casual vacancy**

    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 161(4) of the Companies Act, 2013 read with the relevant provisions of the Articles of Association of the Company, the appointment of Shri Vineet Manaktala (DIN: 09145644) in the casual vacancy caused by the resignation of Shri Nalin Kumar Jain (DIN: 00203581), effective from 01.07.2021, as a director liable to be retire by rotation, be and is hereby approved."

6. **Appointment of Director Finance & CFO**

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

"RESOLVED THAT pursuant to Section 196, 197, 198 and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, if any, of the said Act and/or any other applicable Regulations, and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the appointment of Shri Vineet Manaktala (DIN: 09145644) as Director Finance & Chief Financial Officer of the Company effective from 01.07.2021 to hold office for 3 years, i.e. up to 30.06.2024, on the terms and conditions and remuneration as set out in the Explanatory Statement to this Notice."

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, duly authorized by the Board, be and is hereby authorized to alter, increase, vary or modify, from time to time, the said terms and conditions including as to remuneration and/or designation as it may deem fit, subject to the provisions of the above said Sections read with Schedule V and other applicable provisions of the Companies Act, 2013 or any other Regulations as may be applicable."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the managerial personnel be paid remuneration as set out in the Explanatory Statement or such higher amount as may be permitted subject to necessary approval, if any required, and also subject to the overall ceilings laid down in Part II of Section II of Schedule V of the Companies Act, 2013 or any amendment thereto, or any other Regulations as may be applicable."

7. **Re-appointment of Smt. Urvashi Tilak Dhar as Whole Time 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 Section 196, 197, 198 and Schedule V of the Companies Act, 2013 as amended from time to time and other applicable provisions, if any, of the said Act and/or any other applicable Regulations including SEBI (LODR) Regulations, 2015, and subject to such approvals, if any, required, approval of the Company be and is hereby accorded to the reappointment of Smt. Urvashi Tilak Dhar (DIN:00294265) as Whole Time Director of the Company effective from 14.08.2021 to hold office for 3 years i.e. up to 13.08.2024 on the terms and conditions and remuneration as set out in the Explanatory Statement to this Notice."

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof, duly authorized by the Board, be and is hereby authorized to alter, increase, vary or modify, from time to time, the said terms and conditions including as to remuneration and/or designation as it may deem fit, subject to the provisions of the above said Sections read with Schedule V and other applicable provisions of the Companies Act, 2013 or any other Regulation as may be applicable."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the managerial personnel be paid the remuneration other than commission as set out in the Explanatory Statement or such higher amount as may be permitted subject to necessary approval, if any required, and also subject to the overall ceilings laid down in Part II of Section II of Schedule V of the Companies Act, 2013 or any amendment thereto, or any other Regulations as may be applicable."

8. **Sub- Division of Share Capital into smaller nominal value**

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

"RESOLVED THAT pursuant to the provisions of section 13, 61, 64 and all other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder including statutory modification(s) or re-enactment(s) thereof for the time being in force and the relevant provisions of the Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules, Regulations, Circulars, Notifications, etc. issued there under, consent of the shareholders of the Company be and is hereby accorded to the sub-division of the nominal value of equity shares in the Company from the existing nominal value of Rs.10 each to nominal value of Rs. 2 each, thereby keeping the paid-up share capital intact and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new Clause V:

“The authorized share capital of the company is Rs.65,00,00,000 (Rupees Sixty Five Crore only) divided into 32,50,00,000 (Thirty-Two Crore Fifty Lakh only) equity shares of Rs. 2 (Rupees Two) each”

“RESOLVED FURTHER THAT pursuant to sub-division of the equity shares of the Company, nominal value of Rs.10 (Rupees Ten only) of all the issued, subscribed and paid-up equity shares of the Company, existing on the record date to be fixed by the Company, shall stand sub-divided into fully paid equity shares of nominal value of Rs. 2 (Rupees Two only).”

“RESOLVED FURTHER THAT upon sub-division of equity shares, as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of Rs. 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the “record date” to be fixed by the Company and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of members who hold the equity shares / opt to receive the sub-divided equity shares in dematerialized form, the sub-divided equity shares of nominal value of Rs. 2 (Rupees Two only) each shall be credited to the respective beneficiary accounts of the members with their respective depository participants and the Company shall undertake such Corporate Action(s) as may be necessary in relation to the existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED

(Y.D. Gupta)
Company Secretary & Vice President
(Law & Taxation)
FCS 3405

New Delhi,
June 29, 2021

NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013, is annexed.
2. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 27th August, 2021 to Wednesday, 8th September, 2021 (both days inclusive)** for determining the names of members eligible for dividend on Equity Shares for the financial year ending 31st March, 2021, if declared at the AGM.
3. A final dividend of Rs. 2.5 (25%) per share of Rs.10 has been recommended by the Board of Directors for the year ended March 31, 2021 and subject to the approval of the shareholders at the ensuing AGM, the dividend is proposed to be paid on or before 07.10.2021 to those members whose names appear as Members in the Register of Members of the Company or Register of beneficial owners as on the cut-off date i.e. **Thursday, 26th August, 2021**.
4. 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 2012-13 to the IEPF in November 2020. 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 seven 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 61906 equity shares held by 3865 shareholders to IEPF in the month of November 2020. 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.

   The Company will be transferring the unclaimed dividend, declared in the year 2013-14 and paid in September, 2014, to IEPF by October 2021. The shareholders who have not received/ encashed the dividend for the year 2013-14 may claim the same from the Registrars & Transfer Agents/ Company. The Company will also be transferring 31443 equity shares held by 1726 shareholders, on which dividends remain unclaimed for consecutive seven years, to IEPF as required under the relevant Rules. Details have been uploaded on Company website and individual notices have also been sent. Such shareholders may send their claims to the Company/RTA by not later than 15.09.2021 and after that to IEPF.
5. Shareholders who hold shares in physical form may notify change of address, if any, and also email ID to KFin Technologies Pvt. Ltd., 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 20.04.2018 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 (KFin Technologies Pvt. Ltd.). Members are requested to comply with the requirement at the earliest.**
6. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (the “SEBI Listing Regulations”), securities of listed companies can be transferred only in dematerialized form, with effect from 1st April 2019, except in case of request received for transmission or transposition of securities held in physical form. In view of this and to eliminate all risks associated with physical shareholding, **Members holding shares in physical form are requested to consider converting their physical holding in securities into electronic form.**
7. 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, if not already furnished, to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies Pvt. Ltd.

8. The information with regard to Smt. Urvashi Tilak Dhar, whose reappointment as a director liable to retire by rotation, given in Note 27 hereunder, forms an integral part of this Notice.

9. In view of the restrictions on assembly of people across the Country due to outbreak of the Covid-19 pandemic and restrictions on the movements apart from social distancing, the Central Government allowed general meetings to be held through Video Conference / Other Audio Visual Means by following procedures laid down circulars - Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020. The above provision has been further extended till 31.12.2021 by Circular No.02/2021 dated 13.01.2021 (Collectively referred to as "MCA Circulars") considering the spread of the second wave of the pandemic in the Country. Accordingly, this meeting is convened as e-AGM, to be held through Video Conference.

10. **E-AGM:** The Company has appointed M/s KFin Technologies Private Limited ("KFIN"), Registrar and Transfer Agents of the Company, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

11. Pursuant to the provisions of the MCA Circulars on the VC/OAVM/e-AGM:

    a.) Members can attend the meeting through login credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.

    b.) Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available and as such the Proxy Form and Attendance Slip are not annexed to this Notice.

    c.) Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for participation and e-voting through Instapoll during the AGM. Corporate Members intending to authorize their representatives to attend the AGM are requested to email the same to einward.ris@kfintech.com, along with certified true copy of the latest Board Resolution or Power of Attorney, authorizing their representative to participate and vote at the AGM, on their behalf.

12. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

13. Up to 1000 members will be able to join the e-AGM on a FIFO basis.

14. No restrictions on account of FIFO entry into e-AGM will be there for large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

15. The attendance of the Members (members login) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

16. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s KFin Technologies Private Limited.

17. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system through `instapoll' provided at the venue by M/s KFin Technologies Pvt. Ltd.

18. In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for the financial year 2020-21 have been uploaded on the website of the Company at https://www.dcmsr.com. The Notice

can also be accessed from the website of BSE Limited at www.bseindia.com and is also available on the website of e-voting agency M/s KFin Technologies Private Limited at their website address (https://evoting.kfintech.com/public/Downloads.aspx).

19. **Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

On account of threat posed by Covid-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered / not registered their e-mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Pvt. Ltd. in case the shares are held in physical form.

2. Shareholders who have not registered their email address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by complying with the following procedure:

   (i) Visit the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

   (ii) Select the company name: DCM Shriram Industries Limited

   (iii) Enter DPID Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and Permanent Account Number (PAN).

   (iv) In case shares are held in physical form, if PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

   (v) Enter the email address and mobile number.

   (vi) System will check the authenticity of the DPID Client ID / Physical Folio No. and PAN/ Certificate No., as the case may be and send the OTPs to the said mobile number and email address, for validation.

   (vii) Enter the OTPs received by SMS and Email to complete the validation process. (Please note that the OTPs will be valid for 5 minutes only).

   (viii) In case the shares are held in physical form and PAN is not available, the system will prompt you to upload the self-attested copy of your PAN.

   (ix) System will confirm the email address for the limited purpose of serving the Notice of the AGM, the Annual Report of the Company for the financial year 2020-21 and the e-voting instructions along with the User ID and Password.

   Alternatively, Members may send an email request to einward.ris@kfintech.com along with the scanned copy of their request letter duly signed by the 1st shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFIN to temporarily register their email address and mobile number so as to enable the Company to issue the Notice of the AGM, the Annual Report of the

Company for the financial year 2020-21 and the e-voting instructions along with the User ID and Password, through electronic mode.

However, Members holding shares in electronic form, will have to once again register their email address and mobile number with their DPs, to permanently update the said information.

In case of any queries, in this regard, Members are requested to write to einward.ris@kfintech.com or evoting@kfintech.com or contact KFIN at toll free number: 1800 3094 001.

3. Shareholders are also requested to visit the website of the Company https://www.dcmsr.com or the website of the Registrar and Transfer Agent (https://evoting.kfintech.com/public/Downloads.aspx) for downloading the Annual Report and Notice of the e-AGM.

4. Alternatively, a member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter duly signed providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

20. **Instructions for the Members for attending the e-AGM through Video Conference, speaker registration and posting of queries:**

1. Members holding shares either in physical form or in electronic form, as on the cut-off date i.e. Thursday, 26th August, 2021 can attend the AGM through VC, by following the instructions, as mentioned below:

   (i) Click on the following URL: https://emeetings.kfintech.com

   (ii) Use the e-voting User ID and Password to login and select the 'EVENT', for the AGM of the Company.

   (iii) Members can join the AGM through VC from 10.45 am onwards till the end of the AGM.

2. Members who wish to ask questions during the AGM, can do so by registering themselves as a 'Speaker', by following the instructions, as mentioned below:

   (i) Click on the following URL: https://emeetings.kfintech.com

   (ii) Use e-voting User ID and Password, to register as a 'Speaker'.

   (iii) Only those Members holding shares either in physical form or in electronic form, as on the cut-off date i.e. Thursday, 26th August, 2021, may register themselves as a 'Speaker' from Saturday, 4th September, 2021 upto Tuesday, 7th September, 2021. This will enable KFIN to make requisite arrangements for the said Members to ask questions during the AGM through VC.

   (iv) Only those Members who have registered themselves as a 'Speaker', as aforesaid, will be able to ask questions during the AGM.

   (v) The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Members who wish to post their queries may do so before the AGM, up to Tuesday, 7th September, 2021 (5.00 P.M.) by following the instructions, as mentioned below:

   (i) Click on the following URL: https://emeetings.kfintech.com

   (ii) Use e-voting User ID and Password, to post queries.

4. Please note that Members who do not have e-voting User ID and Password or have forgotten the e-voting User ID and Password may retrieve the same by following the e-voting instructions mentioned at point no. 21 below.

5. Members can participate at the AGM through desktop/phone/laptop/tablet. However, for better experience and smooth participation, it is advisable to use Google Chrome, through Laptops connected through broadband, for the said purpose.

6. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. In case Members have any queries or need any assistance on e-voting/participation at the AGM/ Speaker Registration process or for posting queries, may please write to KFIN at einward.ris@kfintech.com or evoting@kfintech.com or they may contact KFIN at toll free number: 1800 309 4001.

9. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM conference.

21. Instructions for members for e-Voting during the e-AGM session:

1. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not cast their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM.

2. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

22. Voting through electronic means

In compliance with provisions of Section 108 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 30th Annual General Meeting (AGM) by electronic means.

The procedure and instructions for e-voting are as follows:

Login method for e-Voting : Applicable only for Individual shareholders holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services I. To register click on link :https://eservices.nsdl.com II. Select "Register Online for IDeAS" III. Proceed with completing the required fields.	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields.
3. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp II. Proceed with completing the required fields.	**3. By visiting the e-Voting website of CDSL** I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
4. By visiting the e-Voting website of NSDL I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

The voting through electronic means will commence on Saturday, 4th September, 2021 at 9.00 AM and will end on Tuesday, 7th September, 2021 at 5.00 PM.

Members holding shares either in physical form or dematerialised form, as on the cut-off date i.e.**Thursday, 26th August, 2021**, (including those Members who may not receive this Notice due to non-registration of their email address with KFIN or the DPs, as aforesaid) may cast their votes electronically, in respect of the Resolution(s) as set out in the Notice of the AGM through the remote e-voting or e-voting through Instapoll during the AGM.

The instructions for e-voting, are as under:

(i) Members shall use the following URL for remote e-voting (Other than Individual shareholders who holds shares in Electronic Mode).

https://evoting.kfintech.com

(ii) Members to enter the login credentials (i.e., User ID & Password) mentioned in the email, Folio No. / DP ID & Client ID will be the USER ID. Please note that the password is an initial password.

(iii) Members holding shares either in physical form or in dematerialized form, as on the said cut-off date, may cast their vote electronically.

(iv) After entering the said details, please click on LOGIN.

(v) Members will reach the password change menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt the Members to change the password and update any contact details like mobile number, email address etc., on first login. Members may also enter the secret question and answer of their choice to retrieve password in case they have forgotten it. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.

(vi) Members will need to login again with the new credentials.

(vii) On successful login, the system will prompt the Member to select the EVENT i.e., DCM Shriram Industries Limited.

(viii) On the voting page, Members are requested to enter the number of shares held as on the said cut-off date under FOR/AGAINST or alternately enter any number FOR and any number AGAINST and ensure that the total number of shares cast FOR/AGAINST, does not exceed their total shareholding, as on the said cut-off date. Members may also choose the option ABSTAIN.

(ix) Members holding multiple folio(s)/demat account(s) shall follow the said voting process separately for each folio(s)/demat account(s).

(x) Members may cast their vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once a Member confirms his vote, he will not be allowed to modify his vote subsequently. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(xi) The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting : **Saturday, 4th September, 2021 (9:00 A.M.)**

End of remote e-voting : **Tuesday, 7th September, 2021 (5:00 P.M.)**

During this period, only those persons whose names appears in the Register of Members or in the Register of beneficial owners maintained by the Depositories, as on the cut-off date i.e. **Thursday, 26th August, 2021**, shall be entitled to cast their vote through remote e-voting. The remote e-voting facility shall be forthwith disabled by KFIN after expiry of the said period.

(xii) 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. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the

Scrutinizer through email to swaran234@hotmail.com with a copy marked to evoting@kfintech.com, on or before Tuesday, 7th September, 2021.

(xiii) Those Members, who are present in the AGM through VC and have not cast their vote on the Resolution(s) as set out in the Notice of the AGM through remote e-voting and are otherwise not barred from doing so, shall be eligible to avail the facility of e-voting through Instapoll during the AGM, in accordance with the relevant Circulars read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, by following the procedure mentioned below:

(a) The procedure for e-voting through Instapoll during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC.

(b) The window for e-voting through Instapoll shall be activated upon instructions of the Chairman of the Meeting during the AGM.

(c) E-voting through Instapoll during the AGM is integrated with the VC platform and hence no separate login is required for the same. Members will be required to click on the ''Thumb (Icon to be put)'' icon, to cast their vote through Instapoll during the AGM.

23. The Scrutinizer shall immediately after conclusion of the e-AGM, unblock the votes cast through remote e-voting / e-voting through instapoll during the AGM 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, the Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the Report to the Chairman or a person authorized by him in writing, who shall counter-sign the report and declare the results forthwith.

24. 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 KFin Technologies Pvt. Ltd. i.e. https://evoting.kfintech.com within two working days of the conclusion of the meeting. The said Results will also be displayed at the Registered and Corporate Offices of the Company, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.

25. 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 Registrar, viz. KFin Technologies Pvt. Ltd. (Email ID: einward.ris@kfintech.com) or their depository participants.

26. **KPRISM – Mobile Service application by KFin Technologies Pvt. Ltd:**

Members are requested to note that, Registrar and Share Transfer Agents, M/s. KFin Technologies Pvt. Limited have launched a new mobile application – KPRISM and website https://kprism.kfintech.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 KFin Technologies, 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.kfintech.com/ to download the mobile application.

27. **Profile of the director retiring by rotation (Item No.3):** Smt. Urvashi Tilak Dhar was appointed on the Board as a Director liable to retire by rotation at the AGM held on 02.09.2020. Smt. Urvashi Tilak Dhar, aged 65 years, has 2 years of experience in the Company. She has done her Post Graduation in Sociology from Jawaharlal Nehru University, Delhi. She had a stint in market research in a reputed organization in the past. She is involved in promoting social causes and has been on the Board of the Promoter Group companies. She is familiar with the responsibilities and liabilities of a director. She had widely travelled in India and abroad.

Smt. Urvashi Tilak Dhar holds 12,337 equity shares of Rs.10 each in the Company.

Smt. Urvashi Tilak Dhar, being eligible, offers herself for reappointment as a director liable to retire by rotation in terms of Section 152(6)(e) of the Companies Act, 2013. She has confirmed that she has not been disqualified u/s 164(2) of the Companies Act, 2013, to be appointed or to hold an office of director in a company. As required under SEBI (LODR) Regulations, 2015, she has further confirmed that she has not been debarred or disqualified from being appointed or from continuing to act as director of companies by any statutory authorities.

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

Except Smt. Urvashi Tilak Dhar, none of the directors or key managerial personnel of the Company or their relative(s) is interested financially or otherwise in the resolution.

28. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are available for inspection through electronic mode, basis the request being sent on investorservices@dcmsr.com.

29. Since the AGM is being held through VC, the route map for the AGM venue, is not attached.

30. Members may contact the Company or KFIN for Conveying grievances, if any, relating to the conduct of the AGM, at the following address:

DCM Shriram Industries Limited

'Investor Service Section'
5th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi – 110001
E-mail ID – investorservices@dcmsr.com
Tel: 011-43745075

Contact Persons:

Sh. G S Nair
Vice President

Shri Y D Gupta
Company Secretary

KFIN Technologies Pvt. Ltd.

Unit: DCM Shriram Industries Limited

Selenium Tower B, Plot 31-32
Financial District, Nanakramguda,
Serilingampally, Mandal
Hyderabad, Telangana – 500 032.
Phone 040-67162222 / 1800 3094 001
Email ID: einward.ris@kfintech.com

Contact Person:

Shri Raj Kumar Kale, Assistant General Manager (RIS)

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 its meeting held on 29.06.2021 appointed M/s. Ramanath Iyer & Co., Cost Auditors (Regn No. 13848), 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2021-22 at a remuneration of Rs.1.67 lakh plus GST and out of pocket expenses as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration of the Cost Auditors, fixed by the Board for the financial year 2021-22 on the recommendation of the Audit Committee, 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 & 6

The Board of Directors in its meeting held on 29.06.2021, on the recommendation of the Nomination & Remuneration Committee and Audit Committee, appointed Shri Vineet Manaktala (DIN: 09145644), who is the Vice President (Corporate Accounts & Finance) of the Company, as a director on the Board in the casual vacancy caused by the resignation of Shri N.K. Jain effective from 01.07.2021, pursuant to Section 152(6) of the Companies Act, 2013. Shri Vineet Manaktala will hold office for the period Shri N.K. Jain would have held office had he continued as a director liable to retire by rotation. His appointment in the casual vacancy is subject to approval by the shareholders in the ensuing AGM as required under the said Section.

Shri Vineet Manaktala has confirmed to the Board that he has not been disqualified u/s 164(2) of the Companies Act, 2013, to be appointed or to hold an office of director in a company. As required under SEBI (LODR) Regulations, 2015, he has further confirmed that he has not been debarred or disqualified from being appointed or from continuing to act as director of companies by any statutory authorities.

Continuing the practice of elevating a person from senior management position to the Board level as Whole Time Director, the Board in the said meeting appointed Shri Vineet Manaktala as Director Finance & Chief Financial Officer effective from 01.07.2021 to hold office for 3 years, i.e. up to 30.06.2024.

Shri Vineet Manaktala, aged 58 years, a Chartered Accountant with over 36 years of experience, out of which 26 years in the Company, is presently Vice President (Accounts & Finance). He has been ably handling all matters relating to Company accounts and finance, audit, establishment of a robust internal financial control system etc. He has shown exemplary management caliber and has also established very good rapport with the Company's bankers/lenders. His inter-personal relationships within the Corporate Office and at Unit level are excellent, paving the way for smooth disposal of work particularly during audit, which now is a round the year affair.

The terms and conditions of the appointment, which are subject to the approval of the shareholders, are as under:

Particulars	
Tenure	3 Years
Salary (Rs./pm)	2,00,000
Annual reward	Not exceeding 50% of his annual salary as may be decided by the Board. For part of the year, the reward will be calculated on proportionate basis.

Particulars	
Housing	Company maintained leased accommodation (maintenance means normal routine upkeep and maintenance but shall not include structural changes) or House Rent Allowance @ 60% of salary.
Gas, Water, Electricity, Furniture, Furnishings and maintenance thereof	Actual
Attendant & servant at Residence	Reimbursement of wages of an attendant and a servant.
Medical expenses	Reimbursement of actual medical expenses incurred for self and family. (Family as defined in Company's Medical Facilities to Officers' Scheme.)
P.A. Insurance	As per Company Rules.
Leave, Leave Encashment, LTA, PF, Gratuity & Superannuation	As per Company Rules.
Club Fees (Admission/life membership fee not allowed)	Fees of clubs subject to a maximum of 2 Clubs
Other Directorships	Nil
Shareholding in the Company (Equity/ Rs.10 each)	Nil

Other Terms Applicable to the Appointment:

1. Remuneration to Shri Vineet Manaktala shall not exceed 5% of the net profit computed in the manner laid down in Section 198 read with Section 197 of the Companies Act, 2013 and the aggregate remuneration to all managerial personnel shall not exceed 10% of the Net Profit arrived at as per the said Sections.
2. He will also be entitled for Company maintained chauffeur driven car, communication facilities and reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company. These will not be considered as perquisites for the purpose of ceilings on remuneration under the Companies Act.
3. Remuneration for part of the year will be computed on pro-rata basis.
4. The appointment is with continuity of service as an officer for the purpose of computing terminal benefits.
5. In the event of absence or inadequacy of profits in any financial year he will be paid the above remuneration, subject to the ceiling provided in Part II Section II of Schedule V of the Companies Act, 2013. (In such an event contributions to Provident Fund & Superannuation Fund, to the extent these are exempt under the Income-tax Act, 1961 and gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included for computing the ceiling on remuneration).
6. The appointment may be terminated by either party giving to the other three 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.

Considering the contributions of Shri Vineet Manaktala to the performance of the Company, the Directors recommend the resolution for your approval.

Except Shri Vineet Manaktala, 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 resolutions set out at Item No.5 & 6.

Item No.7

Smt. Urvashi Tilak Dhar was appointed Whole Time Director by the Board of Directors on the recommendation of the Nomination & Remuneration Committee (NRC) in its meeting held on 13.08.2019 for a period of 2 years effective from 14.08.2019. Her appointment and terms and conditions were approved by the shareholders in the AGM held on 02.09.2020. Her present term of office will come to an end on 13.08.2021. the Board of Directors on the recommendation of the NRC approved a proposal for reappointment of Smt. Urvashi Tilak Dhar for another term of 3 years w.e.f. 14.08.2021, subject to the approval of the shareholders as required u/s 196, 197 and 198 and other applicable provisions of the Companies Act, 2013 and also SEBI (LODR) Regulations, 2015.

The terms and conditions of the appointment, which are subject to the approval of the shareholders, are as under:

Particulars	
Tenure	3 years
Salary (Rs./pm)	5,50,000
Commission on profits	As may be decided by the Board from year to year, provided that the total remuneration i.e. salary, perquisites and commission, shall not exceed 3% of the Net Profit of the Company computed in the manner laid down u/s 198 of the Companies Act, in a particular year, subject to the overall limit of remuneration u/s 197 of the said Act, or any amendments thereto or any other applicable regulations for all managerial personnel.
Housing	Company maintained accommodation or House Rent Allowance @ 50% of the salary as may be opted for.
Gas, Water, Electricity, Furniture, Furnishings and house maintenance.	Actual
Medical expenses	Reimbursement of actual medical expenses incurred for self and family. (Family as defined in the Company's Medical Assistance to Officers Scheme.)
P.A. Insurance	As per Company Rules applicable to officers.
Leave and LTA	For self and family as per Company Rules. Privilege leave not availed to be encashed at the time of cessation of service.
Club Fees (Admission/life membership fee not allowed)	Fees of clubs subject to a maximum of 2 Clubs.
PF, Superannuation, Gratuity	As per Company Rules
Other Directorships	Nil
Shareholding in the Company (Equity/Rs.10 each)	12337

Other Terms Applicable to the Re-appointment

1. Salary, perquisites and commission together to Smt. Urvashi Tilak Dhar shall not exceed 3% of the net profit computed in the manner laid down in Section 198 read with Section 197 of the Companies Act, 2013 and the aggregate remuneration to all managerial personnel shall not exceed 10% of the Net Profit arrived at as per the said Sections.

2. The managerial personnel will also be entitled for Company maintained chauffeur driven car, communication facilities, and reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company. These will not be considered as perquisites for the purpose of ceilings on remuneration under the Companies Act.

3. Remuneration including commission for part of the year will be computed on pro-rata basis.

4. In the event of absence or inadequacy of profits in any financial year the managerial personnel will be paid the above remuneration (excluding commission), subject to the overall ceilings provided in Part II Section II of Schedule V of the Companies Act, 2013 or such higher amount subject to such approvals as may be required as minimum remuneration. (In that event contributions to Provident Fund & Superannuation Fund, to the extent these are exempt under the Income-tax Act, 1961 and gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure will not be included for computing the ceiling on remuneration).

5. The appointment may be terminated 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.

   Smt. Urvashi Tilak Dhar has confirmed to the Board that she has not been disqualified u/s 164(2) of the Companies Act, 2013, to be appointed or to hold an office of director in a company. As required under SEBI (LODR) Regulations, 2015, she has further confirmed that she has not been debarred or disqualified from being appointed or from continuing to act as Director of companies by any statutory authorities.

Except Smt. Urvashi Tilak Dhar, 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.7.

Item No.8

The Equity Shares in the Company are listed and traded on the Bombay Stock Exchange (BSE). With a view to have more participation from the investors in the scrip and in order to increase the liquidity and make the equity shares in the Company more affordable to the small investors, the Board of Directors of the Company in its meeting held on 29th June, 2021 has recommended sub-division of the equity shares in the Company of face value of Rs.10/- (ten) each fully paid up into Rs. 2/- (two) each fully paid up, resulting in issuance of 8,69,92,185 (Eight Crore Sixty Nine Lakh Ninety Two Thousand and One Hundred Eighty Five) Equity Shares of Rs. 2/- (two) each fully paid up, thereby keeping the paid-up capital intact.

The recommended sub-division of equity shares requires approval of the shareholders by way of ordinary resolution. The sub-division of shares also requires substitution of the 'Capital Clause' in the Memorandum of Association of the Company, which requires approval of shareholders by special resolution. Accordingly, it is proposed to seek the approval of the shareholders for sub-division of the nominal value of the share capital and substitution of the "Capital Clause V" of the Memorandum of Association by a special resolution.

The existing capital clause is proposed to be replaced with the following clause:

"The authorised share capital of the company is Rs.65,00,00,000 (Rupees Sixty Five Crore only) divided into 32,50,00,000 (Thirty Two Crore and Fifty Lakh Only) equity shares of Rs. 2 (Rupees Two) each."

The draft of revised Memorandum of Association of the Company, reflecting the said changes are available for inspection by the members on the website of the Company.

The consent of the members is sought for sub-division of equity shares of the Company into smaller denomination and consequently to amend the Memorandum of Association of the Company through proposed special resolution.

The “record date” for the aforesaid sub-division of the equity shares will be fixed after approval of the Members to the proposal is obtained.

None of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested in the resolution except to the extent of their shareholding.

The Board of Directors recommends passing of the proposed resolution in item No. 8 as a special resolution.

Interest

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

The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March, 2021 together with the Reports of the Auditors and the Board of Directors thereon.

The pandemic and its impact

At the close of the financial year 2019-20, a catastrophe in the form of Covid 19 struck the world like a bolt from the blue. The economy world over went into a tailspin with the sudden halt of business activities and massive loss of jobs. There was confusion all around with contradicting views about the origin of the virus, its genome, possible treatment, and containment measures. It took several months for people all over the world to come to terms with the situation. By last quarter of the year 2020, the spread of the virus started abating and the derailed global economy slowly started steadying. Research and trials for vaccines to combat the pandemic were pursued in different countries with urgency and earnestness. Results were encouraging. Rich countries acted wisely in anticipating another wave and cornered vast volumes of different brands of vaccines in advance.

India, after the initial shock from the first wave, managed to control the spread of the virus over a period of 5 – 6 months. The Central Government had extended financial stimulus to various sectors, particularly to MSMEs, to tide-over the situation. The economy started to recover, and the GDP was also on an upswing. However, this momentum proved to be short-lived as a severe second wave of the virus struck ferociously at almost every nook and corner of the Country. The crisis was unprecedented and made many of the affected people fend for themselves because of shortage of hospital infrastructure. There was acute shortage of medical oxygen, ventilators, hospital beds and some of the life saving medicines. We as a nation failed in anticipating the second wave and in preparing to face the same. People underwent untold miseries and lakhs of lives were lost. With over 4,00,000 new infections per day during the peak, India faced the worst outbreak of the global Covid 19. It is a matter of relief that the number of cases is reducing. A third wave is speculated about and we can't let our guard down.

There was confusion regarding the vaccination policy initially. India claimed to be the `pharmacy of the world' and being the largest producer of the vaccines erred in anticipating the second wave and planning for mass vaccination. However, things have started looking up as the Central Government has now taken it upon itself to spearhead the universal vaccination programme through a centralized scheme. It is hoped that accelerated vaccination and better preparation will avoid a situation such as the one faced in the months of April –May, 2021, in the event the virus strikes again in the form of a third wave as speculated.

Initially it was predicted that the economic damage due to the second wave would not be as bad as the first wave in 2020, because India had vaccines against the virus and no nationwide lock down was imposed. But almost 3 months after the first signs of the second wave emerged, India is struggling to vaccinate its vast population and strict lockdowns continue in many parts of the Country. As a result, the economic growth projections shared earlier, have changed drastically. Even SBI, the Country's largest lender slashed its growth forecast to 7.9% from the earlier 10.4%. Several international banks and rating agencies have also slashed India's growth for the current financial year in view of the devastation caused by the second Covid 19 wave. The latest growth forecast for India from World Bank is 8.3%, slashed from 10.1% it estimated in April. It is reported that though the revenues of the companies have fallen in the financial year 2020-21, the bottom lines have gone up substantially. The reason for this phenomenon is that companies have resorted to deleveraging instead of investing. If the situation continues, the unemployment levels will further go up, adversely affecting the demand situation. Government must take urgent steps by providing financial stimulus as was done last year and encouraging investments. Unlike last year Central Government has not come up with any major fiscal stimulus except the measures announced by RBI to improve liquidity and safeguard flow of credit towards important parts of economy.

It is a matter of satisfaction that despite the adversities posed by the pandemic, the Company's operations continued with least disruption. The Company took all possible steps to safeguard the health of the employees at all levels, ensuring that the employees adhere to Covid appropriate behavior, vaccinations and sanitization of areas surrounding our factories.

Financial Summary

The Company achieved a turnover of Rs.1960 cr. against Rs.1818 cr. in the previous year. The gross profit at Rs. 129.15 cr. against Rs.123.83 cr. in the previous year is higher by 4 %. The net profit was Rs. 65.89 cr. compared to Rs.95.96 cr. in the previous year, is lower by 31 % due to higher tax outgo comparing to the previous year.

Appropriation and Dividend

The Board of Directors has recommended a final dividend of Rs. 2.5 (25%) per equity share of Rs.10 for the year 2020-21. Taking into account the interim dividend of Rs. 5.00 (50%) per equity share of Rs.10 for the year 2020-21, paid in March 2021, the total dividend for the year amounts to Rs. 7.5 (75%) per equity share of Rs.10.

The closing balance of the retained earnings of the Company, after accounting for the interim dividend for the year 2020-21, amounting to Rs. 400 Cr. was carried forward in the P & L Account which include the net profit of Rs. 65.89 Cr. for the year under review.

Auditors' Report

There are no qualifications, reservation, or adverse remarks or disclaimer in the Auditors' Reports to the Members on the Annual Financial Statements for the year ended on March 31, 2021.

The Auditors have not reported any fraud pursuant to 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 2020-21 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

Sugar Industry continues to be on a roller coaster ride despite supports and reliefs provided by the State and Central Government from time to time. The uncertainty in sugar prices, consumption and production, results in accumulation of cane dues to farmers. The industry, governments and farmers must work together to find a permanent solution to the problems faced by this prime agro based industry in the Country.

During the year, Daurala Sugar Works (DSW) produced 2.50 Lakh MT of sugar by crushing 24.05 Lakh MT of cane as against 2.23 Lakh MT of sugar by crushing 20.15 Lakh MT during the previous year. The sugar recovery in absolute terms is higher but is relatively lower comparing last year's 11.06% to this year's 10.39%. This is attributable to the average sugar recovery in Northern India being lower this year as compared to that of the last year and more diversion of B-Heavy molasses this year for increased production of Ethanol for supplies to OMCs under the Ethanol Blending Programme.

The Unit continued to show improvement in operating parameters and operational efficiency. DSW has successfully tackled high sugar inventory by tying-up its sugar for export under MAEQ Scheme and diverting more sugar towards ethanol by increasing the production of 'B' heavy molasses.

There has been no REC trading since July 2020, as the matter is sub judice.

Sugar prices during the financial year 2020-21, remained range bound as last year between Rs.3150 to Rs. 3300 per qtl. In the beginning of the year sugar prices were low because of muted demand due to lockdown towards end of March 2020. Beverages and Hospitality sectors, major consumers of sugar, particularly in summer season, were badly hit by the lockdown which in turn adversely affected demand for sugar in the year 2020-21.

The sugar prices improved by end of June 2020 as markets opened post lockdown and demand for sugar almost normalized. Presently, sugar prices are hovering around Rs. 3300 per qtl but continue on a roller coaster.

The domestic sugar production for the sugar season 2020-21 is estimated at around 30.2 Million MT, net of B Heavy molasses and cane juice diversion. The domestic demand is expected to be around 26 Million MT, with possibility of demand contraction due to ongoing second wave of Covid 19.

The Central Government has notified export policy under the Maximum Admissible Export Quantity (MAEQ) Scheme for sugar season 2020-21 at 6 Million MT, same as that of last season and announced a support of Rs.6000 per MT towards handling, marketing cost, international and internal freight charges etc. DSW was allocated MAEQ of 45,653 MT, all of which have been tied-up for export directly and through merchant exporters. Export continues to be a challenge due to lockdown and container shortage at ports. Out of our allocation of 45,653 MT of MAEQ, we have swapped 2553 MT with another producer for domestic quota.

International white sugar prices remained range bound at USD 425 per MT. Considering the drought situation in Brazil, the international price for sugar is expected to firm up.

Alcohol operations maintained the momentum of last year during the financial year 2020-21 as well. DSW produced 26,063 KL of alcohol with higher production of Anhydrous Alcohol from `B' Heavy Molasses, which improved margins as the Oil Marketing Companies (OMCs) increased the price of Anhydrous Alcohol for season 2020-21.

The Government has recognized that going forward, India will continue to be a sugar surplus Country. Keeping this in mind and the fact that there is a huge opportunity for our Country to hike the percentage of admixing Anhydrous Alcohol with petrol, the Government has come out with a very aggressive and proactive Ethanol Blended with Petrol (EBP) Program by advancing the target to enhance blending of Anhydrous Alcohol to 20%, by five years to 2025. This will give a huge rise in the demand for ethanol and save an estimated Rs. 30,000 Crore annually in foreign exchange. The money so saved will come handy to pay the farmers rather than to the oil producing nations. This will not only protect the environment but also help in industrial development, attracting investments and creation of jobs.

In our Company we had anticipated such moves and taking advantage of the government policy on interest subvention on ethanol project loans, we had already planned additional ethanol capacity project which will reduce our sugar production and increase the production of ethanol from 'B' heavy Molasses and cane juice. Furthermore, our present sugar process is by Double Sulphitation (DS) which is now considered obsolete and not so eco-friendly. The Company is converting its sugar process to an eco-friendly, Defco Remelt Phosphofloatation (DRP) process which gives better quality of sugar, preferred by the market. Both projects are expected to go online and give full production in the sugar season 2021-22.

The Molasses Policy for the season 2020-21 was announced in October 2020, with molasses reservation for country liquor stipulated at 18% of molasses production on C heavy basis. DSW commenced country liquor operations from November 2020 to utilize the reserved molasses in-house and to take benefit of the new Molasses Policy. This has helped in improving margins as ENA prices are falling with most country liquor bottlers preferring to buy reserved molasses.

DSW had started bottling of alcohol-based hand sanitizer conforming to WHO specifications under the brand name "Daurala Cares" in convenient and bulk packs last year coinciding with the spread of first wave of Covid 19. The Unit has also recently launched hospital grade hand sanitizer.

The Unit is exploring the possibility of expanding the product range by launching gel-based sanitizer in 2 ml sachets and 60 ml bottles. Discussions are on with an overseas party to launch non-alcohol-based sanitizer in the Country.

Rayon

Rayon operations were affected in the first quarter of the year due to extended lockdown imposed by the Government in view of Covid-19 pandemic. The Unit had to stop production for some time due to restrictions on movement of men and material. After easing of the restrictions, production was restarted, initially at low level and increased in a phased manner to full capacity with increase in market demand. Necessary SOPs were put in place for prevention of Covid-19 among employees.

Despite the setback in the first quarter, the Unit closed the year with marginal improvement in the sales revenue due to higher exports in the remaining period. The Unit was also able to maintain operating margins with various cost reduction measures taken during the year.

Shriram Rayons is implementing a capacity expansion project in a phased manner. As part of the same, a state-of-the-art dipping unit was commissioned during the year. Work is in progress for completion of the expansion. Lockdown and restrictions on movement have resulted in delay in completion of the project.

The Unit manufactures Nylon Chafer Fabric, which is mainly sold to domestic tyre companies. Some volume is also exported. These operations were also affected in the first quarter. However, the Unit achieved higher sales in the subsequent period, offsetting the shortfall of first quarter.

The Unit has implemented various projects for upgradation of Powerhouse in the past years. This helped in reducing energy cost by increased husk usage and also optimising use of captive and grid power.

Solar capacity has been increased to 2.15 MW with installation of additional 1.05 MW Solar Power facility during the year.

The Unit continued receiving appreciation and awards from various forums for improving production, productivity, quality systems, safety and reducing energy consumption.

Shriram Rayons continues to maintain quality and standards of its management systems and was recognised for the same; e.g. Quality (ISO-9001:2015), Environment (ISO-14001:2015) and Occupational Health and Safety Management Systems (ISO-45001-2018). The Unit participated in CSR and sustainable development evaluation on international platforms namely ECOVADIS and CDP (Carbon Disclosure Project).

The effluent and emission control facilities with real time monitoring are maintained and continuously upgraded to comply with the norms.

Chemicals

The Chemical Business witnessed robust performance in 2020-21, by capitalizing on the opportunity arising out of production disruptions in China and EU due to the Covid-19 pandemic in the first half of the year. Being classified as an essential industry, the Unit could operate during the lockdown and by and large, maintained delivery schedule for customers despite logistic issues and constraints in obtaining adequate labour.

The above growth was achieved by optimizing sales quantity and realizations.

The Unit carried out its operations safely during this challenging period and continued its focus on cost reduction by adopting energy saving technologies through installation of additional state-of-the-art distillation columns. This will not only help in energy saving but will also de-clutter the layout.

Engineering Projects

The Company’s efforts to venture into defense equipment manufacturing are continuing. The Company has received Industrial Licenses for manufacture of Light Bullet Proof Vehicles, Unmanned Aerial Vehicles and Optronics and Communication Equipment.

Company has developed the Light Bullet Proof Vehicles (LBPV), which are presently being used for demonstrations and are undergoing testing for Type Approval Certification at ARAI, Pune. All the tests at ARAI, Pune have been completed and their test reports compiled. The functional aspects of the vehicle have been found to be fit as per the standards laid down. Some changes are being made in the LBPV to overcome certain non-compliances pointed out during the tests.

The Company has signed a MOU with a Turkish Company for designing, development and manufacturing of Unmanned Aerial Vehicles (UAV). The collaborator is helping us in submission of our response to the tenders floated by Police and CAPFs. The foreign collaborator has developed prototypes as per the specifications given in the tenders. The Company has in-principle decided to make an equity investment in that company for long term association and the modalities are being finalized to move forward in the matter.

The Central Government policies of “Atmanirbhar” and “Make in India” are expected to give a fillip to the domestic defence industry.

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 March 31, 2021. There has been no change in relationship of subsidiary/associate companies during the year.

Annual Return

A copy of Annual Return for the year 2019-20, is available on the Company's web link https://dcmsr.com/wp-content/uploads/2021/04/mgt9.pdf. The Annual Return for the year 2020-21 will be uploaded after filing with the Registrar of Companies in due course.

BOARD MEETINGS AND DIRECTORS

Meetings of the Board

During the year 2020-21 seven 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 that they have not been debarred by SEBI or any other statutory authority to hold an office of director in a company.

Familiarization Programme for Independent Directors

Because of the lockdown and the restrictions on travel, none of the Independent Directors could visit the plants of the Company during the year. However, the Directors were 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 – https://dcmsr.com/wp-content/uploads/2021/04/Familiarization-Programme-for-Independent-Directors.pdf

Policy on Board Diversity

The Board of Directors in its meeting held on 30.05.2016 had 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 - https://dcmsr.com/wp-content/uploads/2021/04/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 considers 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.

Independent Directors should fulfill the obligations of independence as per the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015 in addition to the general criteria stated above. All the Independent Directors of the Company have got themselves enrolled in the Databank of IDs maintained by Indian Institute of Corporate Affairs, an entity under the Ministry of Corporate Affairs. Their registrations have been renewed on a year-to-year basis. It is ensured that a person to be appointed as a director has not suffered any disqualification under the Act or any other law to hold such an office.

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 this Report. The details of remuneration paid to the directors during the year 2020-21 are given in the Corporate Governance Report forming part of this Report.

Changes in Directors or KMP

With a view to further broad base and strengthen the composition of the Board, the Board in its meeting held on 27.06.2020 has co-opted Shri Manoj Kumar (DIN: 00072634) as an Additional Director u/s 161 of the Companies Act, 2013 and appointed as Non-Executive Director, liable to retire by rotation w.e.f. 02.09.2020. His appointment was approved by the shareholders in the AGM held on 02.09.2020. Shri Collu Vikas Rao had demitted office as Nominee Director on 30.09.2020. Shri Mukesh Gupta, Managing Director of Life Insurance Corporation, was nominated w.e.f 01.10.2020 in place of Shri Collu Vikas Rao by LIC.

During the year, Shri Manoj Kumar and Ms V. Kavitha Dutt were nominated to the Audit Committee of the Board.

All the above changes in the composition of the Board were made on the recommendation of the Nomination & Remuneration Committee.

The shareholders in the Annual General Meeting held on 02.09.2020 approved the appointment of Shri N.K Jain as Director Finance and CFO w.e.f 01.11.2019 to hold office till 30.06.2021. The Board of Directors, continuing the practice of elevating a senior management personnel to the Board level, in its meeting held on 29.06.2021, on the recommendation of Nomination & Remuneration Committee and the Audit Committee of the Board, co-opted Shri Vineet Manaktala (DIN: 09145644), presently VP (Corporate Accounts & Finance) in the casual vacancy caused by the demitting of office by Shri N K Jain on 30.06.2021 and appointed him as Director Finance and CFO w.e.f. 01.07.2021 for a term of three years. His co-option on the Board and terms of appointment as Director Finance and CFO are being placed before the shareholders at the ensuing Annual General Meeting for approval.

Smt. Urvashi Tilak Dhar was co-opted as a director liable to retire by rotation and appointed as a Whole Time Director w.e.f 14.08.2019. Her co-option and terms of appointment as Whole Time Director were approved by the shareholders in the meeting held on 02.09.2020. Her term as a director will end at the ensuing AGM and being eligible, she is offering herself for re-appointment. The term of Smt. Urvashi Tilak Dhar as Whole Time Director will end on 13.08.2021. The Directors in their meeting held on 29.06.2021, on recommendation of NRC, has approved reappointment of Smt. Urvashi Tilak Dhar for a term of three years on the terms and conditions proposed by the Board and to be approved by the shareholders at the ensuing Annual General Meeting.

There has been no other 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 Independent Directors, other Non-Executive Directors, Board as a whole, Executive Directors, the Chairman and the Committees during the year 2020-21 was carried out by the Board of Directors based on the criteria laid down by the NRC in the year 2017, in the meeting held on 26.03.2021. A copy of the `criteria for evaluation' is annexed as ***Annexure 2*** hereto.

Based on the criteria, the Board reviewed the performance of the Board as a whole, particularly structure, quality of deliberations in the meetings, functions, performance of the management and feedback etc. The Board reviewed the performance of the Company, Board as a whole, its Committees and Directors and observed:

- that despite the downward trend in economic conditions due to Covid 19 impact, the Company has performed well.
- that the Board continued to adhere to the highest standards in all above areas, and the performance was constructive and met the test of objectivity in achieving the goals of the Company.

- that the Committees carried out their functions according to the requirements mandated under the Companies Act/SEBI Regulations, pursuant to which they were constituted, effectively. The Board particularly appreciated the Audit Committee which met regularly and acted as a watch dog in matters concerning finance, RPTs and internal financial controls. It was noted that the Audit committee was further broad based by inducting one Non-Independent Director and one Independent Director during the period.
- that all the directors including IDs have given very valuable inputs/contribution in achieving the goals of the Company. It was noted that the Executive Directors continued to perform with utmost responsibility in achieving the operating targets and the IDs and other Directors contributed by providing valuable inputs and guidance.
- that the Independent Directors individually and collectively functioned constructively in the best interest of and beneficial to the Company and the stakeholders.
- that the Independent Directors adhered to the Code of Independence as per Schedule IV of the Act and to the restriction regarding pecuniary relationship with the Company during the period under evaluation.

The IDs in a separate meeting held on 26.03.2021, reviewed and evaluated the performance of non-Independent Directors.

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 did not find any matter requiring 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, regularly.

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

To further strengthen the Internal Financial Controls and business transformation through digitization, the Company is in the process of implementing an advanced SAP S/4 HANA in all our business segments.

Loans, Guarantees and Investments

The particulars of loans given by the Company are given in Note no.15 of the Standalone Financial Statements for the year ended March 31, 2021.

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 arm’s length basis and not material. Accordingly, Form AOC -2 does not form part of this Report.

The Board had framed a Policy on Related Party Transactions and placed the same on the Company’s weblink: https://dcmsr.com/wp-content/uploads/2021/04/related-party-trx-policy.pdf

CSR Activities

Pursuant to Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, an Annual Report in the prescribed proforma is annexed – ***Annexure 3***. The Company was required to spent Rs.165.50 lakh, being 2% of the average net profits of the preceding 3 years during the year under review which have been fully utilized. The CFO has confirmed to the Board that funds mandated were spent as per approval of the CSR Committee and Board.

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 elements 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 on 12.02.2016.

Public Deposits

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

			(Rs./lakh)
i)	Accepted during the year	:	179.76
ii)	Remained unpaid or unclaimed as at the end of the year	:	NIL (There is no deposit claimed but not paid)
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	}	Nil
c) at the end of the year	}	

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.

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 4*.**

REMUNERATION POLICY

The Board of Directors in its meeting held on 14.08.2014 had laid down a Remuneration Policy as recommended by the Nomination & Remuneration Committee (NRC) 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 Policy was revised by the Board in its meeting held on 29.10.2019 on recommendations of the NRC. The Remuneration Policy is posted on the Company's weblink. https://dcmsr.com/wp-content/uploads/2021/04/remuneration-policy.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, considers 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, remuneration and cessation of service of Key Managerial Personnel are subject to the approval of the NRC and Board of Directors. Appointment and cessation of service of Sr. Management Personnel are approved by the 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 5***. 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 2020-21 is annexed – **Annexure 6.**

Audit Committee

The Audit Committee presently comprises of six members including four IDs, one Non-Executive Director and one Executive Director. Shri P.R. Khanna is the Chairman and Shri S.B. Mathur, Shri S.C. Kumar, Ms V. Kavitha Dutt, all IDs, Shri Manoj Kumar, Non-Executive Director and Shri Madhav B. Shriram, Managing Director 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 27.05.2019 to incorporate the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The revised Policy has been circulated among the employees and also has been put on the weblink of the Company: https://dcmsr.com/wp-content/uploads/2021/04/whistleblower-policy.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.

Sub-Division of Share Capital into smaller nominal value

The Board of Directors, in its meeting held on 29.06.2021, approved in principle a proposal for sub division of share capital of the Company from the existing nominal value of Rs. 10 each to nominal value of Rs. 2 each, thereby keeping the paid up share capital intact. The proposal is subject to the approval of the shareholders in the ensuing AGM and also subject to amendment in the capital clause of the Memorandum of Association. An item in this regard is included in the Notice convening the e-AGM. It is considered that such sub-division will enhance the availability of the floating shares in the market and liquidity.

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, the shareholders in their meeting held on 22.08.2017 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 2019-20, submitted the Cost Audit report, due for filing on or before 12.09.2020, to the Central Government on 07.09.2020. They have been reappointed as Cost Auditors for the year 2021-22. A resolution for ratification of their remuneration for the year 2021-22, 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 7.**

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 Committees have been reconstituted effective from 01.07.2020 for next 3 years.

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

DISCLOSURE UNDER SECRETARIAL STANDARDS

Applicable Secretarial Standards i.e. SS-1 and SS-2 relating to ‘Meeting of the Board of Directors’ and ‘General Meetings’, respectively, have been duly followed by the Company.

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. Their conduct and support in this difficult time of the pandemic have been exemplary.

For and on behalf of the Board

	(Madhav B. Shriram)	(Alok B. Shriram)
New Delhi,	DIN: 00203521	DIN: 00203808
June 29, 2021	**Managing Director**	**Sr. Managing Director**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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, 2021 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, 2021 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 Securities and Exchange Board of India (Depositories and 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 ("Listing Regulations").

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

1. **Audit Committee of the Company was not duly constituted in terms of Regulation 18 of Listing Regulations from August 13, 2020 till November 24, 2020 and consequently, the Company has paid a fine of Rs. 1,27,440 (inclusive of GST @ 18 %) as imposed by BSE Limited for the above non-constitution.** Further, the Company has re-constituted its Audit committee as Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 177 of Companies Act, 2013 on November 24th, 2020.

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 were 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/-

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644C000482960

Date: 18.06.2021
Place: New Delhi

Notes:

(i) 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.

(ii) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

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 the 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/-

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644C000482960

Date: 18.06.2021
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 are provided at Point No. 3 below.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Alok B. Shriram	Sr. MD	2	2
2.	Madhav B. Shriram	MD	2	2
3.	Urvashi Tilak Dhar	WTD	2	2
4.	Samir C. Kumar	Independent Director	2	2
5.	V Kavitha Dutt	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Committee	https://dcmsr.com/wp-content/uploads/2021/04/Board-CommitteeDetails.pdf
CSR Policy	https://dcmsr.com/wp-content/uploads/2021/04/CSR-policy.pdf
CSR Projects	NA

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
-- Not Applicable --			

6. Average net profit of the company as per section 135(5) – Rs. 8275.56 Lakh

7.

S. No	Particulars	Amount (Rs.)
7(a)	Two percent of average net profit of the company as per section 135(5)	1,65,50,000
7(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
7(c)	Amount required to be set off for the financial year, if any	Nil
7(d)	Total CSR obligation for the financial year (7a+7b-7c)	1,65,50,000

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,65,50,000	**N.A.**				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
-- NOT APPLICABLE --												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	**(2)**	**(3)**	**(4)**	**(5)**		**(6)**	**(7)**	**(8)**	
Sl. No	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the project.**		**Amount spent for the project (in Rs.)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1	Promoting health care including preventive health care and sanitation	(i)	Yes	U.P. / Rajasthan	Daurala / Kota	38.12	Yes	NA	NA
			Yes	Delhi	New Delhi	6.26	No	1. Rasoi on Wheels 2. Bansuri Charitable Society 3. Sree Krishna Medical and Research Centre	CSR00004775
			No	Haryana / Maharashta	Gurugram / Mumbai	13.73	No	1. Sambandh Health Foundation 2. My home India 3. Tata Memorial Centre	
2	Support to education of women / old age / Spl. Able children / library	(ii)	Yes	U.P. / Rajasthan	Daurala / Kota	24.04	Yes	NA	NA
			Yes	Delhi	New Delhi	20.10	No	1. Sabki Pathshala 2. Bansuri Charitable Society	CSR00004775
			No	J&K	Kashmir	5.00	Yes	NA	NA
			No	M.P	Indore	2.50	No	Anubhuti Vision Seva Sansthan	

3	Empowering Women, Support to Senior Citizens	(iii)	Yes	U.P.	Daurala	3.00	Yes	NA	NA
			Yes	Delhi	New Delhi	1.00	No	PHD Family Welfare Foundation Women & Child Committee	
			No	W.B. / Haryana	Kolkata / Faridabad	0.75	No	1. Abahoni 2. Earth Saviour Foundation	
4	Environmental Sustainability and protection of flora and fauna	(iv)	Yes	U.P.	Daurala	5.00	Yes	NA	NA
5	Promotion of traditional art	(v)	Yes	Delhi	New Delhi	3.50	No	1. Asavari 2. Centre for Rural Art and Folk Tradition	
			No	Karnataka	Bangalore	10.00	No	Museum of Arts & Photography	
6	Promotion of Rural Sports	(vii)	Yes	Rajasthan	Kota	0.50	Yes	NA	NA
			Yes	U.P.	Noida	10.00	No	Dribble Academy Foundation	
7	PM-NRF, PM CARES and Disaster Mgmt.	(viii)	Yes	Delhi	New Delhi	12.00	Yes	NA	NA
			No	West Bengal, Odisha		2.00	Yes	NA	NA
					Total	**157.5**			

(d) Amount spent in Administrative Overheads: Rs.8 Lakh

(e) Amount spent on Impact Assessment, if applicable: Not Applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 165.50 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	1,65,50,000
(ii)	Total amount spent for the Financial Year	1,65,50,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	2017-18	**Nil**					
2	2018-19	**Nil**					
3	2019-20	**Nil**					
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
-- NOT APPLICABLE --								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **NOT APPLICABLE**

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

(Madhav B. Shriram)
Managing Director
DIN 00203521

(Alok B. Shriram)
Sr. Managing Director & CEO
(Chairman, CSR Committee)
DIN 00203808

Annexure - 4

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

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

A. CONSERVATION OF ENERGY

i) Steps taken and impact on conservation of energy:

- Installation of condensate flash tank at evaporators, this has saved steam.
- Installation of new multi pressure distillation plant in distillery, this has reduced steam consumption.
- Installation of Concentration and Incineration (C&I) Plant for treating distillery spent wash and generating green power. With this, uninterrupted operations of distillery were carried out throughout the year.
- Extended Economiser Coils installed to increase heat recovery from flue gases.
- Modified blades of the 3 Main Exhaust Fans.
- Installed energy efficient pumps in Chilled Water and Cooling Water circuits.
- Installed VFD in ETP Blower.
- New ejectors installed in vacuum system to reduce steam consumption.
- Replaced filtered water with re-cycled water for cleaning purpose.
- Dryer Can face painted with heat resistant paint to reduce radiation losses.
- Installation of High Efficiency Brine screw Chiller
- Installation of efficient Air Screw Compressor to replace old reciprocating compressor.
- Fan on/off control of cooling tower fan through temperature.
- Process optimization.
- Installation of vertical inline pump for cooling water and chilled water.

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

- Reduced consumption of compressed air by providing SA (Secondary Air) fan air for cleaning of the nozzle of an online stack monitoring system installed at chimneys.
- Utilisation of agro waste as boiler fuel increased from 92% to 95%.
- Commissioned another 1 MW and a 0.05 MW Solar Power Plant.

iii) Capital investment on energy conservation equipments: Rs. 0.82 cr.

B. TECHNOLOGY ABSORPTION :.

i) Efforts made towards technology absorption:

- Installation of centralized pump room with SCADA in sugar boiling house by upgrading existing MCC with IMCC (intelligent module) for taking the timely preventive action, easy diagnosis of faults, reduction in manpower and reduction downtime.
- Reduction in effluent by installing Brine Recovery System and Rinse Water Recovery System using Reverse Osmosis and Membrane Filtration.
- Installation of CPU (Condensate Polishing Unit) to clarify and utilize condensate of MEE. After treatment of condensate, the same water is being used for cooling tower make up water and distillery fermenters and it will substitute borewell water at various places.
- Installed New State-of-art Rayon Dipping Unit.
- Tube Settlers modified with new media pack to increase their settling capacity.
- Installed Auto pH Control System with audio visual alarm system for Glauber Salt Solution.
- Installed MCCB (Molded Case Circuit Breaker) in power supply to Ply Cabler Machines for electrical protection.
- Thermal protection-based Air Circuit Breaker (ACB) replaced with Micro-processor based ACBs in electrical substations.
- Off-load Tap Changer Transformer replaced with On-load Tap Changer Transformer in CS2 plant.
- De-bottlenecking through process innovation.
- Change in the product mix to improve realization.
- An agreement was signed with M/s GAIA Automotives, Israel to manufacture Prototype Bullet Proof Vehicles at Israel and India. The Bullet Proof Vehicle manufactured are presently being used for demonstrations and are undergoing testing for Type Approval Certification at ARAI, Pune.
- The design, drawings and Bill of Material has been shared by GAIA Automotives with DSIL under the transfer of technology clause of our agreement.
- DSIL has signed a MOU with a Turkish Company for designing, development and manufacturing of Unmanned Aerial Vehicles (UAV). The Turkish Company has helped DSIL in submission of our response to the tenders floated by Police and CAPFs. They have also developed prototypes as per the specifications given in the tenders.

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

- By installing various steam saving equipments viz., the flash tank for condensate, juice heating by condensate heaters and change in bleeding of vapours at evaporators, the steam consumption has been reduced by 1.75% on cane.

- Diversion of B-heavy molasses of 50% of cane crushed, has benefited in steam reduction and realization of anhydrous alcohol from OMC.
- Exported refined sugar as per requirement of international standards.
- Improvement in quality of products, better capacity utilization, better realization due to waste recovery, less generation of waste, lower cost of the products, debottlenecking to improve overall realisations, reduction in energy consumption, reduction in carbon footprint, reduction in consumption of natural resources, process consistency, reduction in liquid effluent, a cleaner and safer environment, safe working, increased boiler throughput , time saving, and power factor improvement.
- Reduction and reuse of water to bring down fresh consumption.
- We have obtained a world class design for Light Bullet Proof Vehicles. We will use the basic knowledge to design a whole range of Bullet Proof Vehicles including Light Medium and Mine protected Vehicles in the future.
- We are developing prototypes with our foreign partners for Vertical Take Off and Landing Mini UAVs. These will be fielded for NCNC trials with our security forces. We intend to manufacture these UAVs in India with the transfer of Technology by the foreign collaborator.

iii) Particulars of the technologies imported during last 3 years:

- Basic Design methodology for manufacture of Bullet Proof Vehicles to meet the protection upto STANAG 1 Level.
- Setting up of a workshop equipped with all the infrastructure to fabricate upto four vehicles in a month.
- Development of Tools, Jigs and Fixtures for mass production.
- Training of Welders in Bullet Proof Steel and Aluminum sheets.

iv) Expenditure incurred on Research and Development: Rs. 4.37 cr.

C. FOREIGN EXCHANGE EARNINGS & OUTGO 2020-2021:

- Total foreign exchange earned Rs 399.64 cr. and used Rs 199.65 cr.

Annexure - 5

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 remuneration of the employees of the Company for the financial year 2020-21 :

– Shri S.B. Mathur, Ind. Director	-	8:1
– Shri Alok B. Shriram, Sr.MD	-	120:1
– Shri Madhav B. Shriram, MD	-	120:1
– Smt. Urvashi Tilak Dhar, WTD	-	99:1
– Shri N.K. Jain, Director Finance & CFO	-	21:1
– Shri P.R. Khanna, Ind. Director	-	8:1
– Shri Ravinder Narain, Ind. Director	-	7:1
– Shri S.C. Kumar, Ind. Director	-	8:1
– Ms. V. Kavitha Dutt, Ind. Director	-	7:1
– Shri Sanjay C. Kirloskar, Ind Director	-	6:1
– Shri Manoj Kumar, Non-Executive Director (w.e.f. 27.06.2020)	-	5:1
– Shri C. Vikas Rao (till 30.09.2020) / Shri Mukesh Gupta (w.e.f. 01.10.2020), Nominee Directors	-	4:1

2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2020-21:

– Shri S.B. Mathur, Ind. Director	-	(2.12)
– Shri Alok B. Shriram, Sr.MD	-	7.57
– Shri Madhav B. Shriram, MD	-	7.61
– Smt. Urvashi Tilak Dhar, WTD*	-	76.51
– Shri N.K. Jain, Director Finance & CFO	-	12.91
– Shri P.R. Khanna, Ind. Director	-	(1.01)
– Shri Ravinder Narain, Ind. Director	-	(1.31)
– Shri S.C. Kumar, Ind. Director	-	(2.23)
– Ms. V. Kavitha Dutt, Ind. Director	-	28.27
– Shri Sanjay C. Kirloskar, Ind Director	-	3.34
– Shri Manoj Kumar, Non-Executive Director (w.e.f. 27.06.2020)	-	NIL
– Shri C. Vikas Rao (till 30.09.2020) / Shri Mukesh Gupta (w.e.f. 01.10.2020), Nominee Directors	-	(22.36)
– Shri Y.D. Gupta, Company Secretary	-	(2.94)

3.	Percentage increase in the median Remuneration of employees in the financial year	:	1.73
4.	Number of permanent employees on the rolls of the Company	:	2408

5. Average percentile increase in the remuneration of employees other than managerial personnel during the year 2020-21 was 1.81%, whereas the average percentile increase in the managerial remuneration was (-)1.98%. Three of the managerial personnel are entitled to commission on profits, as decided by the Board within the limit laid down by the shareholders, apart from salary and perquisites.

* Smt. Urvashi Tilak Dhar was employed for part of the previous year.

6. We affirm that the remuneration is as per the Remuneration Policy of the Company.

Annexure - 6

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, 2021.

(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
Madhav B. Shriram	Managing Director	3,29,42,346	B.Com. (Hons.), MBA	33	22.05.1990	56	Executive Trainee, Nissho Iwai
Alok B. Shriram	Sr. Managing Director & CEO	3,29,26,858	B.Com. (Hons.)	41	01.01.1990	60	Dy. General Manager, Shriram Honda Power Equipment Ltd.
Urvashi Tilak Dhar	Whole Time Director (Corp Affairs)	2,73,51,985	P.G.(Sociology)	02	14.08.2019	65	-
N.K. Jain	Director Finance & CFO	56,83,175	CA	44	12.03.1991	70	Indo Rama Synthetics (India) Ltd.
Narayan Rao Karanam	President (Business Strategy)	54,05,228	B.Sc. Engg. (Mech.)	47	29.07.1991	71	Shriram Refrigeration Industries Ltd.
Vinod Kumar Jaitly	COO (BG Rayons)	51,03,779	LLB, Diploma in Business Admn.	46	01.02.1993	66	UPTRON Ltd.
Bijoy Kumar Ghosh	Group Sr. V. P. (Comml.)	50,95,666	B. Sc, Dip in Export Management	49	23.12.1991	71	Tata Keltron Ltd.
Girish Yajnik	Sr. Vice President, DO	50,68,656	M.Sc. Organic Chemistry	36	16.03.1991	58	Indian Maize & Chemicals Ltd.
Aseem Kumar Srivastava*	CEO (Chemicals)	48,05,383	B.Sc, MBA, International Trade	29	17.08.2020	54	Reliance Industries Limited
Sanjay Rastogi	Vice President	45,65,366	B.Sc, ANSI	32	23.09.1989	55	Mansurpur Sugar Mills

Mr. Madhav B. Shriram is related to Mr. Alok B. Shriram.

*Employed part of the year w.e.f. 17-08-2020.

(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 - 7

CORPORATE GOVERNANCE REPORT

(A) Corporate Governance Philosophy

In the modern business concept, Corporate Governance practices play an integral role. Every type of business is closely linked to the society. Ensuring transparency at all areas generate and strengthen confidence of stakeholders in a company. Corporate Governance practices constitute the strong foundation on which successful enterprises are built to last. Adhering to compliances laid down by regulatory bodies in the form of mandatory regulations or guidelines to be followed voluntarily set benchmarks of transparency.

The Company's CG philosophy in a nutshell encompasses five areas viz. equitable treatment of shareholders and ensuring their rights , protecting interests of other stakeholders, role and responsibility of the Board, integrity & ethical behavior at all level and timely 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 March 31, 2021 is given below:

(B) Board of Directors

The Company's Board comprises of an ideal combination of executive and non-executive directors, headed by a non-executive independent Chairman. Of the twelve (12) directors, four (4) are executive directors. Three (3) executive directors represent the promoters. Of the eight (8) non-executive directors, six (6) are independent directors, one (1) is a non-independent director and one (1) is a nominee director, representing Life Insurance Corporation of India. They are all 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 seven Board meetings were held on 27.06.2020, 13.08.2020, 02.09.2020, 12.11.2020, 16.12.2020, 12.02.2021 and 26.03.2021. Attendance and other details are given below:

S. 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)	7	Yes	7	7	2
2	Shri Alok B. Shriram	00203808	Sr. MD (Promoter & Executive Director)	7	Yes	1	Nil	Nil
3	Shri Madhav B. Shriram	00203521	MD (Promoter & Executive Director)	7	Yes	Nil	Nil	Nil
4	Smt. Urvashi Tilak Dhar	00294265	WTD (Promoter & Executive Director)	7	Yes	Nil	Nil	Nil
5	Shri Nalin Kumar Jain	00203581	Director Finance & CFO (Executive Director)	7	Yes	Nil	Nil	Nil
6	Shri P.R. Khanna	00048800	Non-Executive Independent Director	7	Yes	1	1	Nil
7	Shri Ravinder Narain	00059197	Non-Executive Independent Director	7	Yes	Nil	Nil	Nil
8	Shri Samir Chandra Kumar	00064453	Non-executive/ Independent	7	Yes	Nil	Nil	Nil
9	Shri Collu Vikas Rao (Ceased w.e.f 30.09.2020)	06900458	Nominee Director	3	Yes	N.A.	N.A.	N.A.
10	Ms. V. Kavitha Dutt	00139274	Non-Executive Independent Director	6	Yes	6	3	1
11	Shri Sanjay Chandrakant Kirloskar	00007885	Non-Executive Independent Director	6	Yes	3	2	Nil
12	Shri Manoj Kumar (w.e.f. 27.06.2020)	00072634	Non – Executive Director	6	Yes	1	2	1
13	Shri Mukesh Gupta (w.e.f. 01.10.2020)	06638754	Nominee Director	3	N.A.	2	Nil	Nil

* Exclude directorships in Private Limited Companies / Foreign Companies / Companies registered u/s 8 of the Companies Act, 2013.

** Audit and Stakeholders' Relationship Committees.

Shri Madhav B. Shriram and Shri Alok B. Shriram being brothers are related to each other. None of the other Directors are related to any other Director on the Board.

Details of Directorships in other listed entities:

S. No.	Name of Directors	Name of Listed Entities holding position of Director	Category of Directorship
1.	Shri S B Mathur	ITC Limited	Independent Director
		Ultratech Cement Limited	Independent Director
		Thomas Cook (India) Ltd.	Independent Director
2	Shri Alok B. Shriram	Nil	Nil
3	Shri Madhav B. Shriram	Nil	Nil
4	Smt. Urvashi Tilak Dhar	Nil	Nil
5	Shri Nalin Kumar Jain	Nil	Nil
6	Shri Prithvi Raj Khanna	Indag Rubber Limited	Independent Director
7	Shri Ravinder Narain	Nil	Nil
8	Shri Samir Chandra Kumar	Nil	Nil
9.	Shri Collu Vikas Rao (ceased w.e.f. 30.09.2020)	Nil	Nil
10	Ms. V. Kavitha Dutt	The KCP Limited	Managing Director
11	Shri Sanjay Chandrakant Kirloskar	Centum Electronics Limited	Independent Director
		Apollo Hospitals Enterprise Limited	Independent Director
		Kirloskar Brothers Limited	Managing Director
12	Shri Manoj Kumar (w.e.f. 27.06.2020)	KPT Industries Limited	Independent Director
		Spicejet Limited	Independent Director
13	Shri Mukesh Gupta (w.e.f. 01.10.2020)	Nil	Nil

A separate meeting of Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was held on 26.03.2021 through Video Conference. In the said meeting the Independent Directors, inter alia, evaluated the performance of Executive Directors, Non Executive 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:

S. No.	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 Sanjay C. Kirloskar	-
7	Shri Manoj Kumar	-
8	Shri Mukesh Gupta	-

There are no convertible instruments in the Company, presently.

Familiarization programme for Independent Directors

Because of the lockdowns due to the pandemic and the restrictions on travel from time to time, no familiarization programme was organized in the year 2020-21. However, the Directors were 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.

The Board of Directors had laid down a Familiarization Programme for independent directors, copy of which is placed on the Company's website –

https://dcmsr.com/wp-content/uploads/2021/04/Familiarization-Programme-for-Independent-Directors.pdf

Core Skills, expertise and competence of Board of Directors

The Board comprises of highly qualified and experienced members who possesses required skills, expertise and competence which allow them to make effective contributions to the functioning of the Board and its Committees. The core skills/expertise/competencies required in the Board in the context of the Company's business functioning effectively, as identified by the Nomination and Remuneration Committee and the Board of Directors of the Company are tabulated below:

Name of Directors	Core Skills / Expertise /Competencies				
	Leadership/ Operational Experience	Strategic Planning	Sector/Industry Knowledge & Experience, R&D Innovation	Technology	Financial, Regulatory/Legal & risk Mgmt.
S B Mathur	•	•	•	•	•
Alok B Shriram	•	•	•	•	•
Madhav B Shriram	•	•	•	•	•
Urvashi Tilak Dhar	•	•	•	•	•
N K Jain	•	•	•	•	•
P R Khanna	•	•	•	•	•
Ravinder Narain	•	•	•	•	•
S C Kumar	•	•	•	•	•
V Kavitha Dutt	•	•	•	•	•
S C Kirloskar	•	•	•	•	•
Manoj Kumar	•	•	•	•	•
Mukesh Gupta	•	•	•	•	•

Independent Directors

The Board of Directors confirms that in its opinion the Independent Directors fulfil the conditions specified in Section 149 read with 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.

(C) Audit Committee

(i) 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.

(ii) Composition, Meetings and Attendance

The Audit Committee, inter alia, ensures that an effective internal financial control system is in place. During the year, four (4) meetings of the Audit Committee were held on 27.06.2020, 13.08.2020, 12.11.2020 and 12.02.2021.

The Audit Committee as on March 31, 2021 has six (6) members, comprising of five (5) Non-Executive Directors of which four (4) are Independent Directors and one (1) 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 Manoj Kumar (Joined w.e.f. 13.08.2020)	Member	2
Smt. V. Kavitha Dutt (Joined w.e.f. 24.11.2020)	Member	1
Shri Madhav B. Shriram	Member	4

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, CFO, Head of Internal Audit, and representative(s) of the Statutory Auditors attended the meetings of the Committee.

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

(D) Nomination and Remuneration Committee

(i) Terms of Reference

The Nomination & Remuneration Committee (NRC) carries out the functions as per Section 178 of the Companies Act, 2013 and Regulation 19 of LODR Regulations.

(ii) Composition, Meetings and Attendance

The NRC comprised of five (5) Non-Executive Independent Directors. The Company Secretary is the Secretary of this Committee. During the year two (2) meetings of the Committee was held on 27.06.2020 and 13.08.2020. The attendance at these meetings was as follows:

Name of the Member	Status	No. of Meetings attended
Shri S.C. Kumar	Chairman	2
Shri S.B. Mathur	Member	2
Shri P.R. Khanna	Member	2
Shri Ravinder Narain	Member	2
Shri Sanjay C. Kirloskar	Member	2

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

(iii) Performance Evaluation Criteria

The NRC, inter alia, had laid down the criteria for evaluation of the Board, its Committees, Directors and the Chairperson based on Guidance note issued by SEBI on 05.01.2017. The criteria are followed by the Board and the Independent Directors in the evaluation process. A gist of the criteria is given in Annexure 2 of the Directors' Report.

(iv) 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 website of the Company –

https://dcmsr.com/wp-content/uploads/2021/04/remuneration-policy.pdf

The details of remuneration of Executive Directors for the year ended March 31, 2021 are given below:

(Amount in Rs.)

Executive Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Alok B. Shriram (Sr. MD)	70,80,000	2,04,42,000	35,28,658	18,76,200
Shri Madhav B. Shriram (MD)	69,60,000	2,03,48,000	37,89,946	18,44,400
Smt. Urvashi Tilak Dhar (WTD)	66,00,000	1,61,05,000	28,97,985	17,49,000
Shri N K Jain [Director Finance & CFO]	28,32,000	6,00,000	15,64,775	6,86,400

The appointments are contractual in nature and can be determined by either party by giving notice as per their terms of appointment 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 fee is Rs. 50,000 per Board meeting and Rs. 25,000 per Committee Meeting. The shareholders in their meeting held on 10.08.2016 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 2020-21 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	6.20	16.85	-
Shri P.R. Khanna	6.70	15.86	960
Shri Ravinder Narain	4.15	13.91	570
Shri S.C. Kumar	5.20	15.86	-
Ms. V. Kavitha Dutt	3.45	14.88	500
Shri Sanjay C. Kirloskar	3.15	12.92	-
Shri Manoj Kumar (w.e.f. 27.06.2020)	3.30	11.46	-
Shri C. Vikas Rao (ceased w.e.f. 30.09.2020) / Shri Mukesh Gupta (w.e.f. 01.10.2020) (Payable to LIC)	2.50	10.96	-

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.

(E) 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 (1) meeting of the Committee was held on 26.03.2021, 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 Alok B. Shriram	Member
Shri Ravinder Narain	Member
Shri Madhav B. Shriram	Member

All the members of the Committee attended the AGM on 02.09.2020. Shri Y. D. Gupta, Company Secretary is the Compliance Officer of the Company.

During the year 2020-2021, the Company had received three (03) shareholders' complaints all of which were resolved to the satisfaction of the shareholders.

(F) General Body Meetings

The last three Annual General Meetings (AGM) were held at New Delhi, as under:

Financial Year	Date	Time	Venue
2017-2018	11/08/2018	10:00 A.M.	Kamani Auditorium, Copernicus Marg, New Delhi – 110 001
2018-2019	13/08/2019	11:00 A M	Kamani Auditorium, Copernicus Marg, New Delhi – 110 001
2019-2020	02/09/2020	11:00 A.M.	Video Conferencing (V.C.) / Other Audio Video Visual Means

The details of special resolutions passed in the previous three (3) Annual General Meetings are as under:

AGM 2020

1. Approval to the terms of appointment of Smt. Urvashi Tilak Dhar (DIN: 00294265) as Whole Time Director.
2. Adoption of new Articles of Association.

AGM 2019

1. Re-appointment of Ms. V Kavitha Dutt (w.e.f 02.02.2020), an Independent Director on the Board.

AGM 2018

No Special Resolution was proposed.

Postal Ballot

No special resolution was passed last year through postal ballot and no special resolution is proposed to be passed by postal ballot presently.

(G) Means of communication

The Company publishes quarterly, half-yearly and annual results as required under the SEBI (LODR) Regulations, 2015 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 website https://dcmsr.com/financial-results-annual-reports/#financial-results. The Company has not released any official news release and 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. A 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 LODR Regulations. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly share capital audit report, CG compliance report, etc. are also sent to the Stock Exchange as required under various Regulations. The Company has a website – 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.

(H) General Shareholder Information

(i) The ensuing AGM will be held on Wednesday, the 08th Septemeber,2021 at 11:00 A.M. through Video Conferencing / Other Audio Video Visual Means as permitted by the Ministry of Corporate Affairs in view of the COVID-19 pandemic. The detailed procedures in this regard are given in the Notice for the e-AGM and also will be notified in newspapers.

(ii) **Financial Year:** The Company follows 1st April to 31st March as financial year.

(iii) **Cut-off Date:** The cut-off date for deciding the entitlement for casting e-Vote etc. is 26th August,2021.

(iv) **Dividend**

The Board of Directors has recommended a final dividend of Rs. 2.5 per equity share of Rs.10 each (25%) for the year 2020-21. With the interim dividend of Rs. 5 (50%) paid in March, 2021 the aggregate dividend for the year will be 75% amounting to Rs.13.05 Crore.

(v) **Investor Education and Protection Fund**

Pursuant to the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investor Education and Protection Fund (“IEPF”) established by the Central Government of India, after the completion of seven years from the date of transfer to Unpaid Dividend Account of the Company. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

Accordingly during the year under review, Company has transferred an unclaimed dividend amount of Rs. 9,94,881 for the Financial Year 2012-13 on 29th October, 2020 to the Investor Education and Protection Fund established by the Central Government under Section 125 of the Act. The Company has also transferred 56,018 shares to IEPF on which the dividend has not been claimed for seven consecutive years.

The unclaimed dividend for the financial year 2013-14 declared on August 08, 2014 along with the shares are due to be transferred to the IEPF by October 2021. The same can, however, be claimed by the Members by September 15, 2021. The details of such unclaimed dividend to be transferred are available on the Company’s Website, www.dcmsr.com.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2014 onwards may forward their claims to the Company’s Registrar and Share Transfer Agents before these are due to be transferred to the IEPF. The Company had already sent the notices to all such members in this regard and had also published the same by way of newspaper advertisement.

The shares and unclaimed dividend once transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time.

The following table gives information relating to outstanding dividend amounts and the dates when due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Due to be Transferred to IEPF Fund in
2013-14 (Final)	14.08.2014	October, 2021
2014-15 (Final)	24.09.2015	November, 2022
2015-16 (Final)	10.08.2016	October, 2023
2016-17 (Interim)	23.11.2016	January, 2024
2016-17 (Final)	22.08.2017	October, 2024
2017-18 (Final)	11.08.2018	October, 2025
2018-19 (Final)	13.08.2019	October, 2026
2019-20 (Interim)	10.02.2020	March, 2027
2020-21 (Interim)	12.02.2021	March, 2028

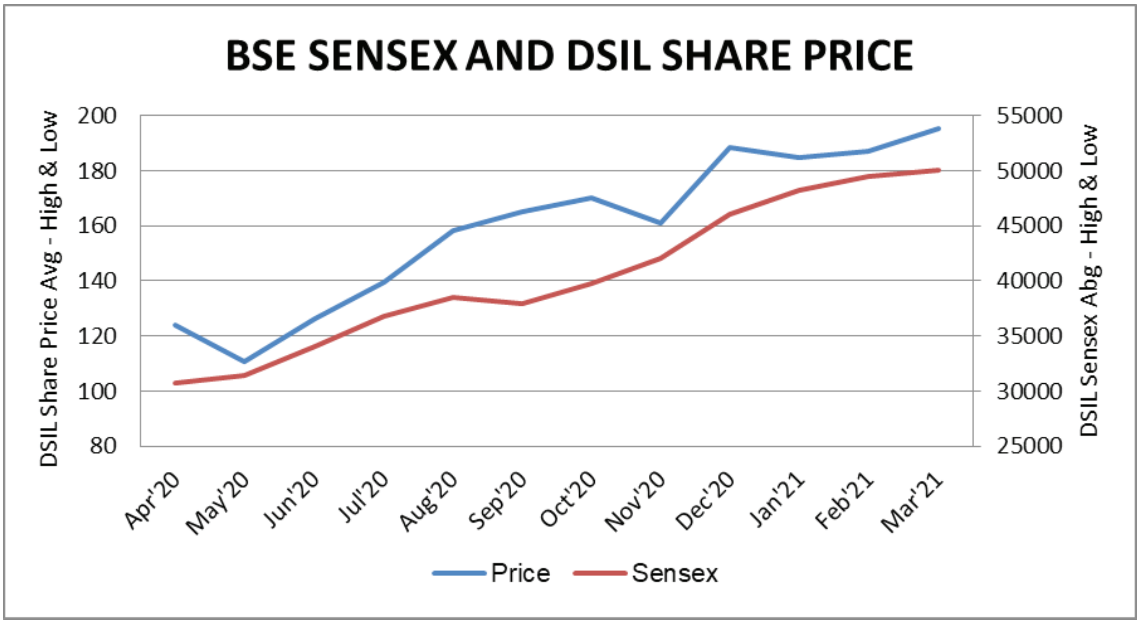
(vi) **Listing on Stock Exchange**

The shares in the Company are listed on Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, Mumbai - 400 001. The Scrip Code of the company is **523369**. It is confirmed that the Company has paid Annual Listing Fee to the above Stock Exchange within the prescribed time.

(vii) **Market price of DSIL's Share (BSE)**

The reported high and low share prices during the year ended 31st March, 2021 on BSE, where your Company's shares are traded vis-à-vis BSE Sensex, are given below:

Month	BSE		BSE Sensex	
	High	Low	High	Low
April, 2020	143.80	104.20	33,887.25	27,500.79
May, 2020	122.00	99.00	32,845.48	29,968.45
June, 2020	144.50	108.20	35,706.55	32,348.10
July, 2020	145.00	134.00	38,617.03	34,927.20
August, 2020	182.00	134.80	40,010.17	36,911.23
September, 2020	181.00	149.00	39,359.51	36,495.98
October, 2020	183.65	157.00	41,048.05	38,410.20
November, 2020	183.00	138.70	44,825.37	39,334.92
December, 2020	205.70	171.00	47,896.97	44,118.10
January, 2021	197.00	172.50	50,184.01	46,160.46
February, 2021	203.95	170.50	52,516.76	46,433.65
March, 2021	210.00	180.30	51,821.84	48,236.35



(viii) Registrar and Share Transfer Agents and Share Transfer System

KFin Technologies Pvt. Ltd. is the share transfer agent of the Company, having the following addresses:

Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad – 500 032
Phone 040-67161500/ 18003454001
Email ID: einward.ris@kfintech.com

New Delhi House, 305,
3rd Floor, Barakhamba Road,
New Delhi - 110001
Phone 011-43681700

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

The Board has constituted a Committee of three directors to approve requests for issue of duplicate share certificates expeditiously against those reported lost, mutilated or untraceable.

(ix) **Shareholding**

A. Distribution of Shareholding as on 31st March, 2021

Nominal value of Shareholding (Rs.)			**Number of Shareholders**	**% of Shareholders**	**Total Shares (Rs.)**	**% of Shares**
Up to		5000	45,476	98.00	1291423	7.42
5001	To	10000	444	0.95	346740	1.99
10001	To	20000	203	0.43	308963	1.77
20001	To	30000	99	0.21	249088	1.43
30001	To	40000	35	0.07	122494	0.70
40001	To	50000	32	0.06	147175	0.84
50001	To	100000	49	0.10	357654	2.05
100001	&	Above	66	0.14	14574900	83.77
TOTAL			**46404**	**100**	**17398437**	**100**

B. Shareholding Pattern as on 31st March, 2021

Category	**No. of shares held**	**% of Shareholding**
Promoters	8718023	50.11
FIs, Banks & Mutual funds	1164478	6.69
Others (public)	7515936	43.20
TOTAL	**17398437**	**100.00**

(x) **Dematerialization of shares**

The shares in the Company are under compulsory dematerialized trading. Up to March 31, 2021, 169.52 Lakh out of 173.98 Lakh (97.43%) Equity Shares in the Company have been dematerialized. The Company's ISIN No. is **INE843D01019**.

(xi) **Outstanding instruments**

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

(xii) **Plant locations**

Daurala Sugar Works Daurala Meerut (U.P.)	Shriram Rayons Shriram Nagar Kota (Raj.)	Daurala Organics Daurala Meerut (U.P.)

(xiii) Address for correspondence with the Company:

'Investor Service Section'
5th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi – 110001
E-mail ID - investorservices@dcmsr.com
CIN - L74899DL1989PLC035140
Tel - 011-43745000

(xiv) Credit Ratings

Credit ratings obtained by the Company are as under:

Instrument	**Rating**	**Remarks**
Fixed Deposit	CARE A + (FD)	Reaffirmed on 23.09.2020 Valid till 22.09.2021
Short term bank facilities	CARE A1 +	Reaffirmed on 23.09.2020 Valid till 22.09.2021
Long term facilities	CARE A +	Reaffirmed on 23.09.2020 Valid till 22.09.2021

(xv) **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. However, the Company was issued a notice by BSE pointing out deficiency in the composition of the Audit Committee as the Company had rounded off the ratio of independent directors to non-independent directors to the lower integer, whereas according to BSE, the rounding off should have been to the higher integer. The composition of the Audit Committee was set right immediately by inducting one more Independent Director as a member. A fine of Rs. 1.27 Lakh imposed by BSE was paid and the matter was closed.

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 policy regarding determination of material subsidiary is available on the Company's website https://dcmsr.com/wp-content/uploads/2021/04/mspolicy.pdf.

f) The policy on dealing with related party transactions is available on the Company's website https://dcmsr.com/wp-content/uploads/2021/04/related-party-trx-policy.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 2015 during the year 2020-21.

i) A certificate from M/s. Chandrasekaran & Associates, Practicing Company Secretaries, confirm 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 respective companies during the year 2020-21 are given below:

Auditors	Audit	Amount (Rs./ lakh)
Company – BSR & Co. LLP	- Statutory Audit - Others	32.50 37.50
Subsidiary – SR Dinodia & Co.	- Statutory Audit - Others	0.59 0.35

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.

(I) 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, 2020.	513	8126
Number of shareholders approached listed entity for transfer of shares from suspense account during the year 2020-21.	0	0
Number of shareholders to whom shares were transferred from suspense account during the year 2020-21.	0	0
Shares transferred to IEPF as per IEPF Rules 2016 (for the year 2020-21)	147	2468
Outstanding shares in the suspense account lying at the end of March 31, 2021	366	5658

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 2020-21.

(Alok B. Shriram)
Senior Managing Director & CEO
(DIN 00203808)

June 29, 2021

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, 2020 to March 31, 2021 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, 2020 to March 31, 2021, three investor grievances were received and no investor grievances were pending against the Company as per the records maintained by the Company as on March 31, 2021.

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

SD/-

(Upender Jajoo)
M No. 10155
CP No. 14336
UDIN:F010155C000505210

New Delhi
Date: June 24, 2021

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)

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 and 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 31,2021 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	Manoj Kumar	00072634	27/06/2020
8	Mukesh Gupta	06638754	01/10/2020
9	Madhav Bansidhar Shriram	00203521	05/10/2005
10	Alok Bansidhar Shriram	00203808	01/04/1992
11	Urvashi Tilak Dhar	00294265	14/08/2019
12	Nalin Kumar Jain	00203581	01/11/2019

Ensuring the eligibility 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

Sd/-

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644C000483061

New Delhi
Date: June 18, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's business comprises of Sugar, Alcohol, Co-generation of Power, Hand Sanitizer, Fine Chemicals and Industrial Fibre, with manufacturing facilities at Daurala (U.P.) and Kota (Rajasthan). The Directors' Report gives segment-wise/ product-wise performance and future 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

Sugar industry is the largest agro based industry in India with a significant role in the rural economy. It provides large number of direct and indirect employment and provides livelihood to farmers and others. This also happens to be one of the country's most regulated industries.

With supporting government policies and increasing crop areas, sugar production in India is expected to go further up during the coming period.

The Country is passing through a difficult phase due to spread of Covid-19 pandemic. The Central and State Governments have announced lock-down to tackle the global pandemic. Though many sectors have been affected, Hospitality Industry a major consumer of sugar, is the hardest hit.

The lockdown situation due to Covid 19 has affected the sugar demand. The domestic demand was stable at 26 million MT. As the situation is going to continue till first half of the current year, the industry expects the sugar position to remain difficult resulting in higher cane dues. Profit position is likely to remain at present levels as FRP may be increased in line with increase in sugar support price. The industry has appealed the Government to continue the supports inter alia, declaring following schemes and incentives:

- Export scheme / subsidy for sugar season 2020-21.
- Create buffer stock.
- Increase Minimum Support Price of sugar to compensate high cost of production.

In the absence of clear policies and support from the Government, the industry will find the going difficult. Sugar prices will slide considering the high surplus and will result in liquidity pressure to clear cane dues especially in the state of Uttar Pradesh.

Recognizing this, Central Government has announced scheme for MAEQ for 2020-21 and the OMCs have increased price of Anhydrous Alcohol produced from B heavy molasses so that Industry may be able to get some relief. The latter announcement will encourage Mills to divert more sugar for production of B heavy molasses which in turn will reduce stock piling of sugar. The State Approved Price (SAP) for cane has been kept unchanged by the Uttar Pradesh Government. However, it is expected to rise for season 2021-22.

The alcohol prices remained steady due to increase in Anhydrous Alcohol prices by OMCs. The new policy for allocation of Anhydrous Alcohol supplies may result in multiple round of bidding and may affect realization due to the transportation cost especially for distilleries in UP, it being a surplus state.

Going forward, Government has indicated that the industry needs to ramp-up the distillery capacities and maximize Anhydrous Alcohol production to achieve 20% ethanol blending target by 2025. The onus of balancing Sugar & Alcohol production and to be internationally competitive will be on the industry, though Government will provide support by nudging OMCs to maintain remunerative prices for Anhydrous Alcohol. Despite challenges like Covid-19, sugar industry is expected to perform satisfactorily.

The sanitizer business, started last year under the brand name “Daurala Cares” has picked up with the Unit adding hospital grade sanitizers to its kitty. Possibilities of producing / sourcing gel based and non-alcohol based sanitizers are being explored.

Rayons

Shriram Rayons manufactures rayon tyre yarn, greige 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.

Based on the initial discussions with the customers, Unit was expecting to operate the plant with full capacity utilisation. However, due to Covid-19 pandemic there was an extended lockdown worldwide, with restriction on movement of men and material. This resulted in postponement and cancellation of orders by the customers in the first quarter of the year. Lockdown and restrictions were also imposed in India. In view of the same, the Unit had to stop production for some time. Maintenance activities were carried in the plant during this period.

Standard Operating Procedures were put in place for social distancing, sanitisation, hand washing, thermal screening, wearing of mask, etc. to prevent Covid spread. To create awareness, regular communication through audio and visual means has been put in place.

With relaxation in restrictions and opening up of the markets, production was restarted, initially at lower capacity and increased to full capacity in a phased manner with increase in market demand. Off take by the tyre companies was completely normalised after the first quarter and the Unit was able to export higher volume in the remaining three quarters as compared to previous year.

The Unit has been working continuously to increase its market share and received additional approvals from the plants of tyre companies for its products, during the year. Based on market assessment, the Unit was implementing a capacity expansion project. The project was partly operationalized in the previous year. As part of this, project installation of a new dipping unit with state-of-the-art technology was completed during the year. Work is in progress for completion of the project. However, lockdown and movement restrictions due to Covid-19 pandemic has resulted in delay in the project timeline.

The Unit implemented energy related projects in previous years to reduce energy cost, increase in use of agro-fuel and increase captive generation capacity. During the year agro-fuel consumption increased to 95% and the fossil fuel consumptions reduced to 5%. Further, with upgradations, the Unit will also be able meet additional energy requirement for the capacity expansion project. The Unit maintains offsite husk storage facilities to procure and store husk during the season for use throughout the year.

To harness more renewable energy, the Unit operationalized additional 1.05 MW Solar Power capacity during the year and the same is working satisfactorily, supplementing the grid / captive power. The total installed solar capacity at the Unit is now 2.15 MW. The Unit continued its efforts to reduce, recycle and reuse water and achieved reduction in water consumption.

The Unit is continuously upgrading the monitoring and control systems for effluent and gas emissions. The effluent monitoring data is being transmitted online to pollution control agencies of the State and Central Government on real time basis.

Chemicals

The Company strengthened its financial performance in the Chemicals Business by increased production and sales of high value and high margin products. Reduced costs by energy savings and improved efficiencies in some processes through intensive R&D / technology upgradations. The operations did well by seizing all opportunities in this difficult market.

The Chinese, who are our main competitors for most products, had to also face production disruptions due to COVID-19 Pandemic. They also faced stricter vigilance from their environmental authorities for waste disposal.

The Company continued its efforts towards optimum utilization of its capacities based on market opportunities.

Additionally, the Company is evaluating several new Projects with interesting prospects.

Financial Ratios

Following are ratios for the current financial year and their comparison with preceding financial year.

Sl. No.	Ratio description	Unit	2019-20	2020-21	Change %	Remarks
1	Debtors turnover	No. of times	9.57	10.19	6.5	
2	Inventory turnover	No. of times	1.79	1.97	9.8	
3	Interest coverage ratio	No. of times	3.78	4.25	12.4	
4	Current ratio	No. of times	1.30	1.25	-4.1	
5	Debt equity ratio	No. of times	0.33	0.19	-41.6	Refer Note 1
6	Operating profit margin	%	9.38	8.62	-8.1	
7	Net profit margin	%	4.76	3.36	-29.4	Note 2
8	Return on Net worth	%	15.39	11.20	-27.2	,,

Note 1 : Lower due to repayment of long-term debt (net) and increase in net worth due to profit retained during the year.

Note 2 : Lower due to onetime write back in previous year of deferred tax liability consequent to introduced by Taxation Law (Amendment) Ordinance 2019 and some impact during the year due to pandemic.

Material Development in human resources/ industrial relations front

The Company's HR philosophy continues to be that a dedicated, enlightened, and contented work force is the lifeline 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 concerted effort has been initiated to induct fresh and youthful talents at various disciplines with a long term perceptive. The Company believes that it is bound to take care of all needs of the work force being one of the pillars of the organization.

With the concept Work from Home (WFH) becoming a norm rather than an exception, without much disruption in the working, the Company like others may explore the possibility of rationalizing the work force by redeploying wherever feasible.

Industrial relations remained cordial in all operations during the year. As on March 31, 2021, the total number of employees on the Company's pay roll was 2408.

Corporate Social Responsibility has always been integral to the business policy of the Company. The Company undertakes/ supports several activities in and around the areas where its operations are located to ensure that the benefit from the expenditure on CSR activities reach the maximum people in those areas. The activities cover promotion of education, cultural activities, health including preventive health care, rural development, environment protection and infrastructure development.

The Company also supported the Central and State Governments with liberal contributions for fighting the pandemic.

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. Effluent treatment plants are maintained for utmost efficiency with technology.

The Company's Units have progressively shifted to environment friendly fuels from fossil fuels for power generation. DSW has fully eliminated use of coal and Shriram Rayons continue to use agrowaste fuels in place of fossil fuels to a large extent. Research and innovation are ongoing 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 2021, and 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 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 2021, and 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 on the Standalone financial statements.

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 Matters

(a) Determination of carrying value of inventory of sugar and the related products as at 31 March, 2021
See note 2A(d) and 10 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
As on March 31, 2021, the Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of INR 52,512.21 lakhs. The Company produces ethanol at its Distillery unit using a particular type of molasses (B-heavy, a product generated along with sugar). Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated appropriately between these joint products. We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses, as a Key Audit Matter given the relative size in the standalone financial statements and judgement involved in analysing the relevant factors such as basis for classification of B-heavy molasses as a joint product, determination of a reasonable basis for allocation of cost between the joint products in arriving at the cost of inventories and determination of estimated net realizable value, basis minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales and frequent fluctuations in selling prices, etc.	We understood and tested controls as established by the management in determination of valuation of closing inventory including for determination of estimated net realizable value of inventory of sugar and allocation of cost between joint products. We considered various factors including technical assessment of the management, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B- heavy molasses based alcohol in determination of a basis for allocation of cost between the joint products. In respect of estimated net realizable value, we have considered factors of actual selling price prevailing during the year and subsequent to the year-end, minimum selling price, and other measures taken by the Government with respect to sugar industry as a whole. Based on the above procedures performed, the carrying value of inventory of sugar and related products as determined by the management is 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 audit report thereon.

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

Responsibility of the Management and Board of Director 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 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the going concern basis of accounting by the Management and Board of Directors 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 audit 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents 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 controls 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 audit 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 (Auditors' 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.
2. (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 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
   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 Auditors' 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 2021 on its financial position in its standalone financial statements - Refer Note 41 and 52 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 during the year ended 31 March 2021.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; 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 2021.

   (C) With respect to the matter to be included in the Auditors' 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
UDIN: 21090075AAAAAN8922

Place: New Delhi
Date: 29.06.2021

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 2021.

(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 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 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 confirmations 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:

Situated at	Whether leasehold / freehold	Gross block as at March 31, 2021 (Rs. in lakhs)	Net block as at March 31, 2021 (Rs. in lakhs)
Daurala, Uttar Pradesh*	Freehold	379.04	379.04
Daurala, Uttar Pradesh**	Freehold	44.95	44.95
Kota, Rajasthan*	Leasehold	465.00	465.00

* Vested in the year ended 31 March 1991 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 in the year ended 31 March 2005 with the Company under sections 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 good-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. According to the information and explanations given to us, goods-in-transit have been verified from the underlying documents.

(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. 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 2021 for a period of more than six months from the date they became payable.

(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 Statute	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	1,708.75	1,708.75
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2016-17	3,631.97	-
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	2004 -05	12.08	10.03
		High Court	June 1998 to February 1999	3.54	-
		CESTAT, Delhi	1995- 96	3.22	-
		Assistant Commissioner (Appeals)	June 2017	20.36	-
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	-
		Additional Commissioner (Appeals)	2004-2005	2.21	0.88
GST Act, 2017	GST	Additional Commissioner	2017-18	1.78	1.78
Sales Tax Laws #	UP VAT and CST	Additional Commissioner (Appeals)	April 2019 to March 2020 and April 2020 to October 2020	7,415.03	3,000.00

* 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.

Also refer note 52 of the standalone financial statements for disputed amount of Rs. 6,911.32 lakhs.

(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 banks, government or 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, 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
Firms Registration No. 1012482W/ W-100022

Kaushal Kishore
Partner
(Membership No. 090075)
UDIN: 21090075AAAAAN8922

Place : New Delhi
Date : June 29, 2021

Annexure B to the Independent Auditor's report on the standalone financial statements of DCM Shriram Industries Limited for the year ended 31 March, 2021.

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 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

We have audited the internal financial controls with reference to financial statements of DCM Shriram Industries Limited ("the Company") as of 31 March 2021 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 2021, 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 controls 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 risk. 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 comprise 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 standalone 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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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's Registration No. 1012482W/W-100022

Kaushal Kishore
Partner
(Membership No. 090075)
UDIN: 21090075AAAAAN8922

Place : New Delhi
Date : June 29, 2021

DCM SHRIRAM INDUSTRIES LIMITED
Standalone Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**47,463.88**	43,039.64
Capital work-in progress	3	**2,353.41**	3,423.63
Right-of-use-assets	40	**2,001.58**	2,499.22
Intangible assets	4	**98.55**	112.76
Intangible assets under development	4	**60.97**	-
Financial assets			
(i) Investments	5	**613.40**	613.40
(ii) Loans	6	**501.82**	532.74
(iii) Other financial assets	7	**123.59**	445.56
Income-tax assets (net)	8	**1,728.25**	1,599.70
Other non-current assets	9	**755.90**	165.89
Total non-current assets		**55,701.35**	52,432.54
Current assets			
Inventories	10	**66,031.96**	66,274.39
Financial assets			
(i) Investments	11	**4,769.58**	1,161.03
(ii) Trade receivables	12	**19,676.06**	18,457.16
(iii) Cash and cash equivalents	13	**1,985.90**	4,357.85
(iv) Other bank balances	14	**1,215.51**	392.23
(v) Loans	15	**54.32**	47.99
(vi) Other financial assets	16	**13,336.07**	13,347.65
Other current assets	17	**3,429.14**	2,398.07
Total current assets		**1,10,498.54**	1,06,436.37
TOTAL ASSETS		**1,66,199.89**	1,58,868.91
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	**1,739.84**	1,739.84
Other equity	19	**58,247.16**	52,399.62
Total equity		**59,987.00**	54,139.46
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	**11,507.11**	17,782.29
(ii) Lease liabilities	40	**1,773.99**	2,154.54
(iii) Other financial liabilities	21	**101.62**	87.79
Provisions	22	**1,278.34**	1,613.74
Deferred tax liabilities (net)	38	**2,809.78**	1,114.85
Other non-current liabilities	23	**52.60**	57.95
Total non- current liabilities		**17,523.44**	22,811.16
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**29,861.20**	35,212.30
(ii) Lease liabilities	40	**399.15**	414.40
(iii) Trade payables	25		
-Total outstanding dues of Micro and Small Enterprises		**777.77**	397.88
-Total outstanding dues of creditors other than Micro and Small Enterprises		**33,412.95**	26,974.49
(iv) Other financial liabilities	26	**9,650.35**	7,510.73
Provisions	27	**11,186.58**	9,824.13
Other current liabilities	28	**3,401.45**	1,584.36
Total current liabilities		**88,689.45**	81,918.29
TOTAL EQUITY AND LIABILITIES		**1,66,199.89**	1,58,868.91
Significant Accounting Policies	2A		

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Statement of Standalone Profit and Loss for the year ended March 31, 2021

Particulars	Note	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Revenue			
Revenue from operations	29	**1,94,300.13**	1,79,494.90
Other income	30	**1,640.69**	2,306.36
Total revenue		**1,95,940.82**	1,81,801.26
Expenses			
Cost of material consumed	31	**1,06,842.36**	97,584.53
Purchase of traded goods	32	**14,757.14**	20,514.47
Changes in inventories of finished goods and work-in-progress	33	**8,579.13**	(3,437.49)
Employee benefits expense	34	**14,745.69**	14,236.10
Finance costs	35	**3,973.88**	4,454.09
Depreciation and amortisation expense	36	**2,916.46**	2,760.95
Other expenses	37	**34,127.37**	36,066.84
Total expenses		**1,85,942.03**	1,72,179.49
Profit before tax		**9,998.79**	9,621.77
Tax expense			
Current tax expense	38	**2,930.03**	2,323.02
Deferred tax (credit)/ charge	38	**479.88**	(2,296.89)
		3,409.91	26.13
Profit for the year		**6,588.88**	9,595.64
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement gain/(loss) on defined benefit obligation		**197.64**	(584.62)
Income tax pertaining to items that will not be reclassified to profit or loss		**(69.06)**	204.29
Total other comprehensive income/ (expense), net of taxes		**128.58**	(380.33)
Total comprehensive income for the year, net of taxes		**6,717.46**	9,215.31
Earnings per equity share of Rs. 10 each- basic/ diluted (Rs.)	43	**37.87**	55.15
Significant Accounting Policies	2A		

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Standalone Statement of Cash Flow for the year ended March 31, 2021

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**9,998.79**	9,621.77
	Adjustments for :		
	Depreciation and amortisation	**2,916.46**	2,760.95
	Finance costs	**3,973.88**	4,454.09
	Interest income	**(70.41)**	(59.42)
	Interest received against subvention	**(455.69)**	(963.48)
	Loss on sale of property,plant and equipment / discarded assets (net)	**20.36**	179.91
	Profit on sale of current investments	**(29.26)**	(19.72)
	Provisions/liabilities no longer required, written back	**(272.18)**	(20.35)
	Bad debts and advances written off	**25.23**	2.60
	Net change in fair value of financial assets measured at fair value through profit or loss	**(82.89)**	(63.77)
	Operating profit before changes in assets and liabilities	**16,024.29**	15,892.58
	Changes in assets and liabilities		
	Increase / (Decrease) in trade payables	**7,090.53**	(3,488.64)
	(Decrease) / Increase in financial liabilities	**(1.76)**	869.35
	Increase in other liabilities & provisions	**3,036.43**	9,410.99
	(Increase) / Decrease in trade receivables	**(1,244.13)**	593.83
	Decrease / (Increase) in inventories	**242.44**	(4,630.44)
	Decrease / (Increase) in financial assets	**363.95**	(13,479.82)
	(Increase) / Decrease in other assets	**(1,070.51)**	426.55
	Cash generated from operations	**24,441.24**	5,594.40
	Income tax paid (Net)	**(1,912.60)**	(1,809.76)
	Net cash from operating activities (A)	**22,528.64**	3,784.64
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	**(5,703.49)**	(7,509.99)
	Proceeds from sale of property, plant and equipments	**92.25**	303.42
	Purchase of current investments	**(7,108.87)**	(315.00)
	Proceeds from sale of current investments	**3,612.46**	947.64
	Changes in other bank balances	**(823.28)**	302.80
	Interest received	**64.61**	86.18
	Net cash used in investing activities (B)	**(9,866.32)**	(6,184.95)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	**1,566.06**	14,618.23
	Repayment of long term borrowings	**(6,470.00)**	(2,775.37)
	(Repayments) / Proceeds from short term borrowings (net)	**(5,351.10)**	420.40
	Repayments of Lease Liabilities	**(383.59)**	(375.10)
	Finance costs paid (Net of subvention)	**(3,529.36)**	(3,461.46)
	Dividend paid	**(866.28)**	(1,872.71)
	Dividend distribution tax paid	**-**	(393.39)
	Net cash from / (used) in financing activities (C)	**(15,034.27)**	6,160.60
	Net decrease/increase in cash and cash equivalents (A+B+C)	**(2,371.95)**	3,760.29
	Cash and cash equivalents at the beginning of the year	**4,357.85**	597.56
	Cash and cash equivalents at the end of the year	**1,985.90**	4,357.85
	Component of cash and cash equivalents		
	Balances with scheduled banks:		
	- Current accounts	**1,956.28**	4,321.00
	- Deposit with original maturity of less than three months	**18.06**	8.00
	- Cash in hand	**11.56**	28.85
	Cash and cash equivalents at the close of the year	**1,985.90**	4,357.85

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	Lease liability	Total
Opening balance as at April 1, 2019	11,885.10	34,791.90	-	46,677.00
Cash flows during the year	11,353.49	(2,399.42)	527.37	8,426.70
Non-cash changes due to:				
- Interest expense (net of subvention)	518.52	2,819.82	-	3,338.34
- Finance cost on lease liability	-	-	152.27	152.27
- Lease liability recognised	-	-	2,944.04	2,944.04
Closing balance as at March 31,2020	23,757.11	35,212.30	2568.94	**61,538.35**
Opening balance as at April 1, 2020	**23,757.11**	**35,212.30**	**2,568.94**	**61,538.35**
Cash flows during the year	**(6,726.86)**	**(6,842.26)**	**(587.69)**	**(14,156.81)**
Non-cash changes due to:				
- Interest expense (net of subvention)	**1,822.92**	**1,491.16**	**-**	**3,314.08**
- Finance cost on lease liability	**-**	**-**	**204.10**	**204.10**
- Lease liability recognised/reversed	**-**	**-**	**(12.21)**	**(12.21)**
Closing balance as at March 31, 2021	**18,853.17**	**29,861.20**	**2173.14**	**50,887.51**

* Includes current maturities of non current borrowings, interest accrued but not due on borrowings and unclaimed deposits and interest accrued thereon, refer Note 21 and 26.

Notes

The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

Significant Accounting Policies 2A

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Statement of Standalone Changes in Equity for the year ended March 31, 2021

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2019	1,739.84
Changes in equity share capital during the year ended March 31, 2020	-
Balance as at March 31, 2020	**1,739.84**
Changes in equity share capital during the year ended March 31, 2021	-
Balance as at March 31, 2021	**1,739.84**

B. Other equity (Rs.lakhs)

Particulars	Reserve and surplus					Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2019	1,411.38	13,465.60	0.10	3,406.68	27,207.77	45,491.53
Profit for the year	-	-	-	-	9,595.64	9,595.64
Other comprehensive income / (expense) for the year net of tax	-	-	-	-	(380.33)	(380.33)
Total comprehensive income for the year	1,411.38	13,465.60	0.10	3,406.68	36,423.08	54,706.84
Transactions with shareholders, recorded directly in equity						
Distribution to shareholders						
Final dividend on equity shares (Rs.6.00 per equity share of Rs.10 each)	-	-	-	-	(1,043.91)	(1,043.91)
Dividend distribution tax on final dividend	-	-	-	-	(214.58)	(214.58)
Interim dividend on equity shares (Rs.5.00 per equity share of Rs.10 each)					(869.92)	(869.92)
Dividend distribution tax on final dividend					(178.81)	(178.81)
Balance as at March 31, 2020	1,411.38	13,465.60	0.10	3,406.68	34,115.86	52,399.62
Balance as at April 1, 2020	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**34,115.86**	**52,399.62**
Profit for the year	**-**	**-**	**-**	**-**	**6,588.88**	**6,588.88**
Other comprehensive income / (expense) for the year	**-**	**-**	**-**	**-**	**128.58**	**128.58**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**40,833.32**	**59,117.08**
Transactions with shareholders, recorded directly in equity						
Distribution to shareholders						
Interim dividend on equity shares (Rs.5.00 per equity share of Rs.10 each)	**-**	**-**	**-**	**-**	**(869.92)**	**(869.92)**
Balance as at March 31, 2021	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**39,963.40**	**58,247.16**

Nature and purpose of reserve

a. Amalgamation reserve

Amalgamation reserve had 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

Securities premium has been created on account of the premium received on issue of shares and capital and reorganisation reserve reclassified in the year ended March 31, 1993. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

e. Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

Significant Accounting Policies 2A

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing 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, 5th 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 standalone 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') and other relevant provisions of the Act, as applicable. The accounting policies are applied consistently in the financial statements.

These Standalone Financial Statements of the Company for the year ended March 31, 2021 are approved by the Company's Audit Committee and by the Board of Directors on June 29, 2021.

(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 an accrual basis and under the historical cost convention, except for the following items:

Items	Measurement basis
Derivative financial instruments and certain other financial assets and liabilities	Fair value through P&L
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair Value through P&L

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

(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. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

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 2A(f) and 38.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2A(b) and (c).
- Estimation of obligations relating to employee benefits: key actuarial assumptions - Note 2A(g)
- Valuation of Inventories- Note 2A(d)
- Fair Value Measurement of financials instruments- Note 2A(p)
- Lease Classification- Note 2A(m)
- Determination of ROU assets and liabilities; incremental borrowing rate and lease term- Note 2A(m)
- Recognition and Measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2A(k)
- Impairment of financial assets- Note 2A(p)
- Impairment of non-financial assets- Note 2A(j)

2A. 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

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

- It is expected to be realised in, or is intended for sale or consumption in, the company’s normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is expected to be realised within 12 months after the reporting date, or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

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

- It is expected to be settled in the company’s normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date.

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

Deferred Tax Assets and Liabilities are classified as non-current only.

(b) Property, plant and equipment (PPE)

(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 and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. 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. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are 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 Standalone 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. Leasehold improvements are amortised on a straight line basis over the unexpired period of lease. Freehold land and leasehold land are not depreciated.

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 acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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 item wise at the lower of cost and net realizable value. Cost is ascertained on a 'weighted average' basis.

Cost includes direct materials, labour, freight inwards, other direct cost, a proportion of manufacturing overheads based on normal operating capacity, net of refundable duties, levies and taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

The cost of production (including cost of conversion) of joint products is allocated on the joint products based on rational and consistent basis i.e. relative realisable value at the separation point when the products becomes separately identifiable.

By-products are valued at estimated net realizable value.

(e) Revenue recognition

(i) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods and Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. 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.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Rendering of services

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed. 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 and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

Use of significant judgements in revenue recognition:

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company's performance obligation under revenue contracts, is satisfied at a point in time and judgement is exercised in determining point in time.

(iv) Income from Renewable Energy Certificates (RECs)

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned authorities.

(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.
- Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- 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.

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax (‘MAT’) under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(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 (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Company pays fixed contributions 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.

(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 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.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provident fund (other than those made to the Regional Provident Fund Office of the Government)

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trusts administered by the Company are accounted for on the basis of actuarial valuation. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, based on actuarial estimate by an approved actuary, shall be made good by the Company.

(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 (operating and non-operating) 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.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period, is recognised in profit or loss of the period in which it becomes receivable.

(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 or 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"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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.

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

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.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

(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

<u>Company as a lessee</u>

The Company recognizes a Right-of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 ‘Leases’. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. the contract involves the use of an identified asset

b. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and the Company has the right to direct the use of the asset.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(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 Managing Directors, 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.

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

(p) Financial instruments

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

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.

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2A (e) Revenue recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

(a) At amortised cost
(b) At fair value through profit and loss (FVTPL)
(c) At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

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.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is recognised as an impairment gain or loss in the Statement of Profit and Loss.

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.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including gany interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Offsetting

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

Derecognition

(i) Financial assets

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

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

(ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

(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) Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(t) Goods and Service tax input credit

Goods and services tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2B. Recent accounting pronouncements

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

Balance Sheet:

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

Statement of profit and loss:

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

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

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

(Rs.lakhs)

Particulars	Freehold land *	Leasehold land *	Leasehold improvement	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount										
Balance as at April 1, 2019	789.26	465.35	-	4,647.34	37,120.20	845.16	438.69	152.93	44,458.93	2,245.66
Add: Additions during the year	-	-	151.80	98.05	6,244.09	147.58	129.97	99.02	6,870.51	7,732.46
Less: Disposals/Adjustments/ Capitalised during the year	-	-	-	1.28	1,227.32	68.07	21.68	18.62	1,336.97	6,554.49
Balance as at March 31, 2020	789.26	465.35	151.80	4,744.11	42,136.97	924.67	546.98	233.33	49,992.47	3,423.63
Add: Additions during the year	**-**	**-**	**271.76**	**525.23**	**5,694.22**	**149.33**	**195.82**	**49.03**	**6,885.39**	**5,206.52**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**-**	**-**	**-**	**209.13**	**133.18**	**37.07**	**12.48**	**391.86**	**6,276.74**
Balance as at March 31, 2021	**789.26**	**465.35**	**423.56**	**5,269.34**	**47,622.06**	**940.82**	**705.73**	**269.88**	**56,486.00**	**2,353.41**
Accumulated depreciation										
Balance as at April 1, 2019	-	-	-	548.52	4,411.25	302.41	196.48	74.80	5,533.46	-
Depreciation expense for the year	-	-	1.65	232.69	1,821.83	113.13	76.03	27.40	2,272.73	-
Less: Disposals / adjustments during the year	-	-	-	1.22	776.78	42.10	18.02	15.24	853.36	-
Balance as at March 31, 2020	-	-	1.65	779.99	5,456.30	373.44	254.49	86.96	6,952.83	-
Add: Depreciation expense for the year	-	-	**30.97**	**171.35**	**1,902.62**	**107.99**	**100.60**	**35.27**	**2,348.80**	**-**
Less: Disposals / adjustments during the year	-	-	-	**-**	**171.35**	**76.62**	**25.11**	**6.43**	**279.51**	**-**
Balance as at March 31, 2021	-	-	**32.62**	**951.34**	**7,187.57**	**404.81**	**329.98**	**115.80**	**9,022.12**	**-**
Net carrying value										
As at March 31, 2021	**789.26**	**465.35**	**390.94**	**4,318.00**	**40,434.49**	**536.01**	**375.75**	**154.08**	**47,463.88**	**2,353.41**
As at March 31, 2020	789.26	465.35	150.15	3,964.12	36,680.67	551.23	292.49	146.37	43,039.64	3,423.63

* Refer note 51 for details of immovable properties which are not yet endorsed in the name of the Company.

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 53.

3) Borrowing cost capitalised during the year Rs.169.95 lakhs (March 31, 2020- Rs 119.05 lakhs) with a capitalisation rate 9.30% p.a. (March 31, 2020-9.30% p.a. to 10.20% p.a)

4) Leasehold lands are in the nature of perpetual lease.

4. Intangible assets and Intangible assets under development

(Rs.lakhs)

Particulars	Intangible assets-Software	Intangible assets under development
Gross carrying amount		
Balance as at April 1, 2019	187.14	16.50
Add: Additions during the year	65.56	-
Less: Disposals / adjustments during the year	-	16.50
Balance as at March 31, 2020	252.70	-
Add: Additions during the year	**25.84**	**60.97**
Less: Disposals / adjustments / capitalized during the year	**0.26**	**-**
Balance as at March 31, 2021	**278.28**	**60.97**
Accumulated amortisation		
Balance as at April 1, 2019	96.82	-
Amortisation expense for the year	43.40	-
Less: Disposals / adjustments during the year	0.28	-
Balance as at March 31, 2020	139.94	-
Add: Amortisation expense for the year	**39.79**	**-**
Less: Disposals / adjustments during the year	**-**	-
Balance as at March 31, 2021	**179.73**	**-**
Net carrying value		
As at March 31, 2021	**98.55**	**60.97**
As at March 31, 2020	112.76	-

Refer note 53 for information on assets charged as security by the Company.

5. Investments- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investment in equity instruments		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited		
2 (March 31, 2020 - 2) equity shares of face		
value of Rs. 10 each, fully paid up.*	**0.00**	0.00
Investment in equity instruments of subsidiary at cost		
Unquoted equity instruments		
Daurala Foods & Beverages Private Limited		
75,00,000 (March 31, 2020 - 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, 2020 - 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 Other comprehensive income		
Versa Trading Limited		
7,00,000 (March 31, 2020 – 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

* The investment is valued at Rs.20

6. Loans- Non current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 45)		
Security deposits	**30.59**	49.71
To Parties other than Related Parties		
Security deposits	**438.43**	445.37
Loans to employees	**32.80**	37.66
Total	**501.82**	532.74

Refer note 53 for information on assets charged as security by the Company

7. Other financial assets- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Bank deposits with maturity of more than twelve months	-	8.44
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	123.59	437.12
Total	**123.59**	445.56

Refer note 53 for information on assets charged as security by the Company

8. Income tax assets (net)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Advance income tax [net of provision]	1,728.25	1,599.70
Total	**1,728.25**	1,599.70

Refer note 53 for information on assets charged as security by the Company

9. Other non-current assets

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 45)	7.47	-
Capital advances		
To Parties other than Related Parties		
Capital advances	731.93	146.39
Advance other than capital advances		
Deferred rent	0.78	2.59
Balance with government authorities	4.18	4.18
Other advances	11.54	12.73
Doubtful		
Other advances	1.30	1.30
	757.20	167.19
Less: Loss allowance for advances	1.30	1.30
Total	**755.90**	165.89

Refer note 53 for information on assets charged as security by the Company

10. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Raw material*	13,669.53	6,580.64
Work in progress	1,773.17	1,378.96
Finished goods**#	45,473.42	54,446.76
Stores and spares	5,115.84	3,868.03
Total	**66,031.96**	66,274.39

* Includes raw material in transit Rs.1,419.62 lakhs (March 31, 2020: Rs. 736.40 lakhs)

** Includes finished goods in transit Rs.322.19 lakhs (March 31, 2020: Rs. 164.00 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. Nil (March 31, 2020: Rs. 182.41 lakhs)

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

Refer note 53 for information on assets charged as security by the Company

11. Investments- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
44,064.755 (March 31, 2020: Nil) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**1,782.65**	-
6,03,379.092 (March 31, 2020: Nil) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	**1,838.72**	-
35,641.175 (March 31, 2020: Nil) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**1,148.21**	-
Nil (March 31, 2020: 2,40,348.592) Aditya Birla Sunlife Saving Fund – Growth Regular Plan Units of Rs. 100 each	**-**	955.43
Nil (March 31, 2020: 4,88,625.746) HDFC Low duration Fund – Regular Plan Growth Units of Rs. 10 each	**-**	205.60
Total	**4,769.58**	1,161.03
Aggregate book value and market value of unquoted investments	**4,769.58**	1,161.03

Refer note 53 for information on assets charged as security by the Company.

12. Trade receivables

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Parties other than Related Parties		
Unsecured, considered good	**19,676.06**	18,457.16
Doubtful	**24.87**	29.97
	19,700.93	18,487.13
Less : Loss allowance for trade receivables	**24.87**	29.97
Total	**19,676.06**	18,457.16

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

Refer note 53 for information on assets charged as security by the Company.

13. Cash and cash equivalents

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Balances with banks		
- On current accounts	**1,956.28**	4,321.00
- Deposits with original maturity of less than three months	**18.06**	8.00
Cash on hand	**11.56**	28.85
Total	**1,985.90**	4,357.85

Refer note 53 for information on assets charged as security by the Company.

14. Other bank balances

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Deposits with maturity of more than three months but upto twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**1,015.48**	195.84
Earmarked balances with banks – unclaimed dividend accounts	**200.03**	196.39
Total	**1,215.51**	392.23

Refer note 53 for information on assets charged as security by the Company.

15. Loans - Current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 45)		
Security deposits	**3.04**	-
To Parties other than Related Parties		
Security deposits	**10.54**	17.41
Loans to employees (including accrued interest)	**8.57**	12.69
Others	**32.17**	17.89
Total	**54.32**	47.99

Refer note 53 for information on assets charged as security by the Company.

16. Other financial assets - Current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Parties other than Related Parties		
Interest accrued on term deposits	**39.75**	33.95
Government grant receivable	**3,241.00**	6,210.22
Reimbursement assets*	**9,972.17**	6,987.08
Others	**83.15**	116.40
Total	**13,336.07**	13,347.65

* Refer note 52

Refer note 53 for information on assets charged as security by the Company.

17. Other current assets

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 45)		
Advances to contractors	**-**	27.80
To Parties other than Related Parties		
Advances to contractors	**482.40**	270.57
Other advances		
Advance to employees	**25.74**	20.18
Balance with government authorities	**1,557.85**	1,387.08
Duty drawback & other incentive receivables	**553.14**	352.28
Prepaid expense	**318.72**	272.82
Advance to provident fund trust	**196.38**	-
Prepaid gratuity	**189.57**	-
Others	**105.34**	67.34
Total	**3,429.14**	2,398.07

Refer note 53 for information on assets charged as security by the Company.

18. Equity share capital

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
a) Authorised		
6,50,00,000 (March 31, 2020: 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, 2020: 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 March 31, 2021		As at March 31, 2020	
	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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

The Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of holding	Number of shares	% of holding
Lily Commercial Private Limited	**31,50,353**	**18.11**	29,94,479	17.21
HB Portfolio Limited	**17,72,120**	**10.19**	25,11,735	14.44
Versa Trading Limited	**25,77,582**	**14.82**	22,24,725	12.79
Bantam Enterprises Private Limited	**13,56,968**	**7.80**	13,56,968	7.80
Life Insurance Corporation of India	**11,61,352**	**6.68**	11,61,352	6.68

f) Issue of shares for other than cash

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

19. Other equity

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 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		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
e. Retained earnings		
Balance as at the beginning of the year	**34,115.86**	27,207.77
Add: Profit for the year	**6,588.88**	9,595.64
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of employee benefit obligation, net of tax*	**128.58**	(380.33)
Less: Appropriations		
Final dividend on equity shares [Dividend per share Rs. Nil (March 31, 2020: Rs. 6.00)]	**-**	(1,043.91)
Tax on dividend	**-**	(214.58)
Interim dividend on equity shares [Dividend per share Rs.5.00 (March 31, 2020: Rs. 5.00)]	**(869.92)**	(869.92)
Tax on dividend	**-**	(178.81)
Balance at the end of the year	**39,963.40**	34,115.86
Total	**58,247.16**	52,399.62

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

20. Borrowings- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties (Refer note 45)		
Unsecured loans		
Public Deposits	**322.27**	292.27
From Parties other than Related Parties		
Secured loans		
Term loans from banks	**17,370.46**	22,305.37
Term loans from others	**579.82**	636.71
Unsecured loans		
Public Deposits	**461.10**	326.04
	18,733.65	23,560.39
Less: Current maturity of long term borrowing	**7,226.54**	5,778.10
Total	**11,507.11**	17,782.29
Details of current maturity of long term borrowing:		
Secured loans		
Term loans from banks	**6,941.75**	5,642.11
Term loans from others	**56.89**	56.89
Unsecured loans		
Public Deposits	**227.90**	79.10
	7,226.54	5,778.10

A. SECURED

I. From Banks

(a) Nil (March 31,2020 : Rs.47.95 Lakhs), Rs.775.80 lakhs (March 31,2020: Rs.1,392.82 lakhs) and Rs.762.39 lakhs (March 31,2020: Rs.1,453.43 lakhs) carrying interest linked to lender's 3 months MCLR and spread thereon, repayable in 0, 5 and 5 quarterly instalments 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 and assets on exclusive charges, 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 31,2020: Rs.22.77 lakhs) was secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

(c) Rs.315.81 lakhs (March 31,2020: Rs.474.85 lakhs) carrying interest of linked to lender's 1 year MCLR and spread thereon, repayable in 6 quarterly instalments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.

(d) Rs.3,525.70 lakhs (March 31,2020: Rs.4,610.53 lakhs) carrying interest of 5% p.a., repayable in 39 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(e) Rs.794.76 lakhs (March 31,2020: Rs.989.57 lakhs), Rs.552.68 lakhs (March 31,2020: Rs. 688.98 lakhs) and Rs.3,265.98 lakhs (March 31,2020: Rs.2,243.49 lakhs) carrying interest linked to lender's LTMLR, repayable in 12, 12 and 16 quarterly instalments, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(f) Rs.2,999.98 lakhs (March 31,2020: Rs,4,000.00 lakhs), Rs.2,031.25 lakhs (March 31,2020: Rs.2,500.00 lakhs) and Nil (March 31,2020: Rs.1,451.00 lakhs) carrying interest rate of 8.95% p.a., repayable in 9 and 13 quarterly instalments, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

(g) Rs.1,975.11 lakhs (March 31,2020: Rs.2,425.42 lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon with 50% interest subvention and 1 year MCLR and spread thereon, repayable in 13 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

(h) Rs.371.00 lakhs (March 31,2020: Nil) carrying interest linked to lender's 6 months MCLR and spread thereon, repayable in 1 instalment, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(i) Nil (March 31,2020: Rs.4.56 lakhs) was secured by hypothecation of specific assets.

II. From Others

Rs.494.50 lakhs (March 31,2020: Rs.494.50 lakhs) and Rs.85.32 lakhs (March 31,2020: Rs.142.21) carrying interest linked to RBI's Bank rate minus 2%. respectively, repayable in 10 and 3 half yearly installments, are secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.

B. Unsecured

Rs.783.37 lakhs (March 31,2020: Rs.618.31 lakhs), Deposits from public, carries interest between 9.5% p.a to 10.50% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

21. Other financial liabilities- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties (Refer note 45)		
Interest accrued but not due on borrowings	**16.05**	11.83
From Parties other than Related Parties		
Interest accrued but not due on borrowings	**26.49**	18.50
Deposits from contractors and others	**10.15**	10.08
Others	**48.93**	47.38
Total	**101.62**	87.79

22. Provisions- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Gratuity	**-**	436.52
- Compensated absences	**979.89**	959.53
- Provident fund trust	**198.45**	117.69
Provision for contingencies*	**100.00**	100.00
Total	**1,278.34**	1,613.74

* Provision for contingencies of Rs. 100 lakhs (March 31, 2020: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Company. There is no movement in the provision during the year.

23. Other non-current liabilities

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Others	**52.60**	57.95
Total	**52.60**	57.95

24. Borrowings- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**29,861.20**	35,212.30
Total	**29,861.20**	35,212.30

* Secured by first pari-passu charge against the Company's current and non-current assets (except reimbursement asset, earmarked deposits and Company's property, plant and equipments), both present and future. Some of these are further secured by way of second / third pari-passu charge on the company's property, plant and equipment. These carry interest rate ranging from 1.60% to 8.85% p.a.. Also refer note 53.

25. Trade payables

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Total outstanding dues of Micro and Small Enterprises*	**777.77**	397.88
Total outstanding dues other than Micro and Small Enterprises#	**33,412.95**	26,974.49
Total	**34,190.72**	27,372.37

* Refer note 49 for Micro and Small Enterprises.

Includes payable to related parties Rs. 711.63 lakhs (March 31, 2020 Rs. 573.62 lakhs), refer note 45.

Notes:

a) Includes acceptances Rs. 3,854.16 lakhs (March 31, 2020 Rs. 3,282.34 lakhs).

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

26. Other financial liabilities- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties (Refer note 45)		
Interest accrued but not due on borrowings	**11.03**	7.74
From Parties other than Related Parties		
Creditors for capital purchases	**964.27**	172.78
Current maturities of long term borrowings (refer note 20)	**7,226.54**	5,778.10
Security deposits	**26.84**	2.60
Interest accrued but not due on borrowings	**65.97**	125.88
Unclaimed dividends*	**200.03**	196.39
Unclaimed deposits and interest accrued thereon	**-**	32.77
Other payables		
- Deposits from contractors and others	**254.63**	274.70
- Employees related payable	**857.23**	875.33
- Others	**43.81**	44.44
Total	**9,650.35**	7,510.73

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

27. Provision- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	**409.01**	387.53
- Provident fund trust	**3.33**	9.18
Provision for contingencies (Refer note 52)	**10,572.51**	9,427.42
Others*	**201.73**	-
Total	**11,186.58**	9,824.13

* Expected claims from customer in respect of past sales made during the year and not settled.

28. Other current liabilities

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Advances from customers	**2,110.20**	281.17
Statutory dues payable	**1,051.41**	1,136.27
Others	**239.84**	166.92
Total	**3,401.45**	1,584.36

29. Revenue from operations

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Sale of products@		
Export	**40,414.39**	40,250.71
Domestic #	**1,42,051.51**	1,22,875.07
	1,82,465.90	1,63,125.78
Sale of services@		
Processing charges	**4,536.41**	4,422.85
Others	**39.31**	36.87
	4,575.72	4,459.72
Other operating revenue		
Sale of scrap	**819.25**	563.79
Duty draw back, export benefits and other government assistance*	**6,304.08**	10,603.86
Sale of renewable energy certificates	**33.22**	544.56
Others	**101.96**	197.19
Total	**1,94,300.13**	1,79,494.90

\# Includes Rs.11,846.80 lakhs (March 31, 2020: Rs.11,348.90 lakhs) in respect of sales made to domestic parties to fulfill export obligation as per Maximum Admissible Export Quantity (MAEQ) Scheme.

* Refer note 50

@ Refer note 39 for disaggregation of revenue

Contract balances	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Trade receivables (Refer note 12)	**19,676.06**	18,457.16
Contract liabilites		
Advances from customers (Refer note 28)	**2,110.20**	281.17

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Contracted price	**1,87,631.61**	1,68,060.27
Less: Discounts	**589.99**	474.77
	1,87,041.62	1,67,585.50

30. Other income

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Interest income from financial assets measured at amortised cost		
- From deposits with banks	**69.81**	58.79
- Unwinding of discount on security deposits	**0.60**	0.63
- Interest subsidy*	**455.69**	963.48
Provisions/liabilities no longer required, written back	**272.18**	20.35
Rental income	**56.33**	43.41
Profit on sale of current investments	**29.26**	19.72
Net change in fair value of financial assets measured at fair value through profit or loss	**82.89**	63.77
Gain on foreign exchange fluctuation (net)	**591.52**	1,005.95
Miscellaneous income	**82.41**	130.26
Total	**1,640.69**	2,306.36

* Refer note 50.

31. Cost of material consumed

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Raw materials at the beginning of the year	**6,580.64**	4,858.00
Add: Purchases	**1,13,931.25**	99,307.17
	1,20,511.89	1,04,165.17
Less: Raw materials at the end of the year	**13,669.53**	6,580.64
Total	**1,06,842.36**	97,584.53
Particulars of materials consumed are as under:		
Sugarcane	**81,077.49**	66,027.76
Wood pulp	**6,545.12**	7,753.43
Others	**19,219.75**	23,803.34
Total	**1,06,842.36**	97,584.53

32. Purchase of traded goods

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Grain spirits	**14,757.14**	20,514.47
Total	**14,757.14**	20,514.47

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

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Opening stock		
Finished goods	**54,446.76**	50,737.21
Work-in-progress	**1,378.96**	1,651.02
Total	**55,825.72**	52,388.23
Closing stock		
Finished goods	**45,473.42**	54,446.76
Work-in-progress	**1,773.17**	1,378.96
Total	**47,246.59**	55,825.72
	8,579.13	(3,437.49)

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

Finished goods		
Sugar	**38,280.99**	48,768.12
Alcohol	**5,524.81**	1,296.28
Organic/ Fine chemicals	**464.82**	753.54
Industrial fibers	**1,202.80**	3,628.82
Total	**45,473.42**	54,446.76
Work-in-progress		
Sugar	**616.10**	465.18
Alcohol	**59.76**	45.94
Organic/ Fine chemicals	**644.81**	533.69
Industrial fibers	**452.50**	334.15
Total	**1,773.17**	1,378.96

34. Employee benefits expense

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Salaries, wages and bonus* #	**12,800.90**	12,409.24
Contribution to provident and other funds*	**1,533.08**	1,495.74
Staff welfare expenses	**411.71**	331.12
Total	**14,745.69**	14,236.10

* Refer note 44

Includes payment to contractual labour

35. Finance costs

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Interest expense*#	**3,827.00**	4,335.72
Other borrowing costs	**146.88**	118.37
Total	**3,973.88**	4,454.09

* Refer note 50

includes Rs.204.10 lakhs interest on lease liabilities (March 31,2020:Rs.152.27 lakhs)

36. Depreciation and amortisation expense

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Depreciation on property, plant and equipment	**2,348.80**	2,272.73
Amortisation on intangible assets	**39.79**	43.40
Depreciation on right-of-use assets	**527.87**	444.82
Total	**2,916.46**	2,760.95

37. Other expenses

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Stores and spares	**9,792.25**	9,637.04
Power and fuel	**7,999.70**	9,948.41
Repair and maintenance		
- Buildings	**722.64**	975.67
- Plant and machinery	**4,797.21**	4,514.10
Rent*	**133.08**	238.39
Payment to auditors		
- Audit fee	**40.00**	25.00
- Limited review of unaudited financial results	**37.50**	22.50
- Verification of statements and other records	**9.90**	7.50
- Out-of-pocket expenses	**3.31**	4.21
Insurance	**303.14**	270.97
Rates and taxes	**104.91**	71.97
Freight and transport	**1,590.69**	1,515.57
Commission to selling agents	**2,128.99**	1,869.73
Loss on Export obligation**	**600.00**	72.41
Loss on sale of property, plant and equipment (net)	**20.36**	179.91
Donation	**0.30**	0.10
Corporate social responsibility (refer note below)	**201.86**	170.65
Bad debts and advances written off	**25.23**	2.60
Miscellaneous expense #	**5,616.30**	6,540.11
Total	**34,127.37**	36,066.84

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Company during the year	**165.50**	204.75
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**201.86**	170.65***

* Refer note 40

** Consequent to Orders of Central Government allocating sugar factory - wise Maximum Admissible Export Quota 2020-21 (MAEQ) of sugar for export.

*** Rs. 34.10 lakhs was spent subsequent to March 31, 2020 due to lockdown.

\# Refer note 50

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, 2021 and March 31, 2020 are:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Current tax expense	**2,930.03**	2,323.02
Deferred tax charge/ (credit)	**479.88**	(2,296.89)
Income tax expense reported in the statement of profit and loss	**3,409.91**	26.13

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

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**(69.06)**	204.29
Income tax charges to other comprehensive income/(expense)	**(69.06)**	204.29

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, 2021 and March 31, 2020:

(Rs.Lakhs)

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax from continuing operations, including OCI	**34.94%**	10,196.43	**34.94%**	9,037.15
Tax using the Company's domestic tax rate		3,563.04		3,157.94
Tax effect of:				
Non-deductible expenses	**0.80%**	82.04	**0.74%**	66.52
Tax-exempt income	**0.00%**	-	**-0.77%**	(69.89)
Change in estimates*	**-1.58%**	(160.97)	**-25.75%**	(2,327.36)
Others #	**-0.05%**	(5.14)	**-11.12%**	(1,005.37)
Effective tax rate	**34.12%**	3,478.97	**-1.97%**	(178.16)

* Section 115 BAA of the Income Tax Act, 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to domestic companies for payment of corporate tax at reduced rates. As per CBDT Circular, in case this option is exercised, the Company shall not be able to utilise the outstanding MAT credit. The Company is likely to exercise the option at a later date. Consequently, during the previous year, the Company had remeasured the deferred tax assets / liabilities likely to be reversed at the time the Company would opt for new tax regime, which had resulted in write back of deferred tax liability amounting to Rs. 2,053.83 lakhs pertaining to previous years prior to 31 March 2019 and Rs. 273.53 lakhs pertaining to year ended 31 March 2020. There is no such impact in the current year.

Include Rs. Nil (March 31, 2020: Rs. 1,032.89 lakhs) recognised with the credit to profit and loss on the basis of reassessment of MAT credit charged-off in the previous years.

D. Deferred tax assets/liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Accrued expense deductible on payment	**249.41**	240.35	-	-	**249.41**	240.35
Provision for gratuity, compensated absences and other employee benefits	**419.08**	658.25	-	-	**419.08**	658.25
Loss allowance for trade receivables	**8.69**	10.47	-	-	**8.69**	10.47
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/ intangible assets	**-**	-	**6,819.21**	6,383.90	**(6,819.21)**	(6,383.90)
Others	**170.03**	46.88	**21.24**	16.36	**148.79**	30.52
	847.66	956.40	**6,840.45**	6,400.26	**(5,992.79)**	(5,443.86)
MAT credit entitlement **	**3,183.01**	4,328.99	-	-	**3,183.01**	4,328.99
Net Deferred tax liabilities	**4,030.67**	5,285.39	**6,840.45**	6,400.26	**(2,809.78)**	(1,114.85)

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

E. Movement in temporary differences

For the year ended 31 March 2021

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehen-sive income	Closing balance
Deferred tax assets				
Accrued expense deductible on payment	**240.35**	**9.06**	**-**	**249.41**
Provision for gratuity, compensated absences and other employee benefits	**658.25**	**(170.11)**	**(69.06)**	**419.08**
Loss allowance for trade receivables	**10.47**	**(1.78)**	**-**	**8.69**
Loss allowance for other assets	**0.45**	**-**	**-**	**0.45**
Others	**46.88**	**123.15**	**-**	**170.03**
	956.40	**(39.68)**	**(69.06)**	**847.66**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**(6,383.90)**	**(435.31)**	**-**	**(6,819.21)**
Others	**(16.36)**	**(4.88)**	**-**	**(21.24)**
	(6,400.26)	**(440.19)**	**-**	**(6,840.45)**
Total	**(5,443.86)**	**(479.87)**	**(69.06)**	**(5,992.79)**

For the year ended 31 March 2020 (Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Accrued expense deductible on payment	**275.17**	**(34.82)**	-	**240.35**
Provision for gratuity, compensated absences and other employee benefits	**509.11**	**(55.15)**	204.29	**658.25**
Loss allowance for trade receivables	**10.47**	**-**	-	**10.47**
Loss allowance for other assets	**0.45**	**-**	**-**	**0.45**
Others	**22.51**	**24.37**	-	**46.88**
	817.71	**(65.60)**	**204.29**	**956.40**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**(7,701.85)**	**1,317.95**	**-**	**(6,383.90)**
Others	**-**	**(16.36)**	**-**	**(16.36)**
	(7,701.85)	**1,301.59**	**-**	**(6,400.26)**
Total	**(6,884.14)**	**1,235.99**	**204.29**	**(5,443.86)**

F. Availability of MAT Credit is upto:

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Financial year	**Amount**	Amount
2024-25	**-**	313.82
2027-28	**-**	281.78
2028-29	**430.09**	980.47
2029-30	**281.91**	281.91
2030-31	**851.08**	851.08
2032-33	**996.93**	996.93
2033-34	**623.00**	623.00
	3,183.01	4,328.99

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 2A (O)).

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 2A(o) above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Segment revenue and expenses are, generally, directly attributable to the segments. Joint revenue and expenses of segments are allocated amongst them on a reasonable basis.

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes and borrowings. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Segment revenue										
- External revenues	**1,15,972.37**	1,02,105.03	**32,892.63**	31,836.25	**38,176.62**	33,644.21	**-**	-	**1,87,041.62**	1,67,585.49
- Inter segment revenue	**-**	-	**-**	-		-	**-**	-	**-**	-
- Other operating revenue	**5,969.57**	10,345.30	**852.98**	1,065.38	**435.96**	498.73	**-**	-	**7,258.51**	11,909.41
Subtotal	**1,21,941.94**	1,12,450.33	**33,745.61**	32,901.63	**38,612.58**	34,142.94	**-**	-	**1,94,300.13**	1,79,494.90
- Other income	**322.10**	75.39	**564.94**	840.80	**114.19**	285.41	**(2.40)**	(2.84)	**998.83**	1,198.76
- Unallocable income									**641.86**	1,107.60
Total revenue	**1,22,264.04**	1,12,525.72	**34,310.55**	33,742.43	**38,726.77**	34,428.35	**(2.40)**	(2.84)	**1,95,940.82**	1,81,801.26
Segment results	**7,637.63**	9,101.89	**3,066.42**	3,299.40	**6,662.36**	4,399.13	**-**	-	**17,366.41**	16,800.42
Unallocated expenses (net of unallocated income)									**3,393.74**	2,724.56
Operating profit									**13,972.67**	14,075.86
Finance costs									**3,973.88**	4,454.09
Profit before tax									**9,998.79**	9,621.77
Current tax expense									**2,930.03**	2,323.02
Deferred tax (credit)/ charge									**479.88**	(2,296.89)
Net profit after tax									**6,588.88**	9,595.64
Capital expenditure during the year	**1,944.23**	3,463.56	**1,443.02**	3,757.90	**2,228.15**	561.60	**-**	-	**5,615.40**	7,783.06
Unallocated capital expenditure during the year									**283.62**	314.48
Total capital expenditure during the year									**5,899.02**	8,097.54
Depreciation and amortisation	**893.37**	868.91	**937.75**	986.63	**500.30**	451.15	**-**	-	**2,331.42**	2,306.69
Unallocated depreciation during the year									**585.04**	454.26
Total depreciation during the year									**2,916.46**	2,760.95
Non cash expense other than depreciation	**2.19**	91.25	**25.75**	71.98	**24.33**	19.64	**-**	-	**52.27**	182.87
Unallocated non cash expense other than depreciation during the year									**2.42**	-
Total non cash expense other than depreciation during the year									**54.69**	182.87

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Segment assets	**95,475.24**	93,337.36	**36,655.70**	35,583.77	**19,966.17**	18,064.49	**-**	-	**1,52,097.11**	1,46,985.62
Unallocated assets									**14,102.78**	11,883.29
Total assets	**95,475.24**	93,337.36	**36,655.70**	35,583.77	**19,966.17**	18,064.49	**-**	-	**1,66,199.89**	1,58,868.91
Segment liabilities	**35,143.82**	25,853.96	**9,835.41**	10,003.99	**5,804.54**	4,620.97	**-**	-	**50,783.77**	40,478.92
Share capital and reserves									**59,987.00**	54,139.46
Unallocated liabilities										
-Borrowings									**48,714.40**	58,969.41
-Others									**6,714.72**	5,281.12
Total liabilities	**35,143.82**	25,853.96	**9,835.41**	10,003.99	**5,804.54**	4,620.97	**-**	-	**1,66,199.89**	1,58,868.91
Capital employed	**60,331.42**	67,483.40	**26,820.29**	25,579.78	**14,161.63**	13,443.52	**-**	-	**1,01,313.34**	1,06,506.70

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

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
i	**Revenues**		
	Total revenue for reportable segments	**1,95,301.36**	1,80,696.50
	Unallocated amounts:		
	Revenue for other segments	**641.86**	1,107.60
	Inter-segment elimination	**(2.40)**	(2.84)
	Total revenue	**1,95,940.82**	1,81,801.26

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
ii	**Profit before tax**		
	Total profit before tax for reportable segments	**17,366.41**	16,800.42
	Unallocated cost:		
	Finance costs	**(3,973.88)**	(4,454.09)
	Other unallocated amounts	**(3,393.74)**	(2,724.56)
	Profit before tax as per statement of profit and loss	**9,998.79**	9,621.77

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
iii	**Assets**		
	Total assets for reportable segments	**1,52,097.11**	1,46,985.62
	Unallocated amounts:		
	Investments	**5,382.98**	1,774.43
	Corporate assets	**8,719.80**	10,108.86
	Total assets as per the balance sheet	**1,66,199.89**	1,58,868.91

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
iv	**Liabilities**		
	Total liabilities for reportable segments	**50,783.77**	40,478.92
	Unallocated amounts:		
	Share capital	**1,739.84**	1,739.84
	Reserves and Surplus	**58,247.16**	52,399.62
	Unallocated corporate liabilities	**55,429.12**	64,250.53
	Total liabilities as per the balance sheet	**1,66,199.89**	158868.91

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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
i	**Revenues**		
	(a) India	**1,55,528.83**	1,41,553.39
	(b) Other countries		
	Europe	**12,797.44**	11,171.23
	China	**12,414.41**	11,271.17
	Rest of the World	**15,202.54**	17,808.31
	Total (b)	**40,414.39**	40,250.71
	(c) Inter-segment elimination	**(2.40)**	(2.84)
	Total (a+b+c)	**1,95,940.82**	1,81,801.26

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
ii	**Assets**		
	(a) India	**1,55,401.83**	1,48,265.39
	(b) Other countries		
	Europe	**2,993.04**	2,918.83
	China	**3,363.91**	3,581.05
	Rest of the World	**4,441.11**	4,103.64
	Total (b)	**10,798.06**	10,603.52
	Total (a+b)	**1,66,199.89**	1,58,868.91

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. Leases

The details of the right-of-use asset held by the Company is as follows:

(Rs.Lakhs)

Particulars	Opening as on April 01, 2020	Additions for the year ended March 31, 2021	Deletions for the year ended March 31, 2021	Depreciation during the year	Net Carrying amount as at March 31, 2021
Building	2,499.22	201.42	171.19	527.87	2,001.58
	2,499.22	**201.42**	**171.19**	**527.87**	**2,001.58**

Particulars	Opening as on April 01, 2019	Additions for the year ended March 31, 2020	Deletions for the year ended March 31, 2020	Depreciation during the year	Net Carrying amount as at March 31, 2020
Building	646.73	2,297.31	-	444.82	2,499.22
	646.73	**2,297.31**	**-**	**444.82**	**2,499.22**

The Company incurred Rs.133.08 Lakhs for the year ended March 31, 2021 (March 31, 2020: Rs.238.39 lakhs) towards expenses relating to short-term leases and leases of low-value assets.

The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The reconciliation of lease liabilities is as follows:

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Opening balance	**2,568.94**	646.73
Additions	**159.52**	2,297.31
Deletions	**(171.73)**	-
Amount recognised in statement of profit and loss as interest expense	**204.10**	152.27
Payment of lease liability	**(587.69)**	(527.37)
Closing balance	**2,173.14**	2,568.94

The following table presents a maturity analysis of expected cash flows for lease liabilities:

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Within one year	**399.15**	414.40
Within one-five years	**1,631.98**	1,776.31
Above five years	**142.01**	378.23
Closing balance	**2,173.14**	2,568.94

41. Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities*

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Income tax matters	**4,356.09**	4,356.09
Excise and Service tax matters	**39.20**	68.15
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**925.00**	750.17
Sales tax matters	**55.06**	55.06
Sugarcane related matters	**4,545.26**	4,545.26
Total	**9,920.61**	9,774.73

* 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.

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.5,265.85 lakhs (March 31, 2020: Rs. 909.73 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 March 31, 2021	For the year ended March 31, 2020
Profit/ (loss) after tax attributable to equity shareholders	**Rs. Lakhs**	**6,588.88**	9,595.64
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.**	**37.87**	55.15

44. Employee benefits

A. Defined Contribution plans

Rs. 127.13 lakhs (March 31, 2020: Rs. 299.11 lakhs) for provident fund contribution and Rs.174.36 lakhs (March 31, 2020: Rs. 185.85 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

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 March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Net Gratuity liability / (asset)	**(189.57)**	436.52
Non current	**(189.57)**	436.52
Current	**-**	-
	(189.57)	436.52

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**3,991.92**	3,855.14
Current service cost	**260.63**	235.54
Interest cost	**271.45**	295.73
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**-**	99.63
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**224.89**	97.51
Benefits paid	**(662.16)**	(591.63)
Balance at the end of the year	**4,086.73**	3,991.92

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**3,555.40**	3,658.56
Expected return on plan assets	**241.76**	279.88
Contribution by the Company	**14.40**	12.26
Benefits paid	**(28.52)**	(136.81)
Actuarial gains / (losses) recognised in other comprehensive income	**493.26**	(258.49)
Balance at the end of the year	**4,276.30**	3,555.40

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Current service cost	**260.63**	235.54
Interest cost	**271.45**	295.73
Expected return on plan assets	**(241.76)**	(279.88)
Actuarial (gains) / losses recognised in other comprehensive income	**(268.37)**	455.62
	21.95	707.01

(iv) Constitution of plan assets

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with Life Insurance Corporation of India*	**4,276.30**	3,555.40

* 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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Actuarial (gain) / loss on plan assets	**493.26**	(258.49)
Actuarial (gain) / loss arising from changes in financials assumptions	**-**	(99.63)
Actuarial (gain) / loss arising from changes in experience adjustments	**(224.89)**	(97.51)

(vi) Actuarial assumptions

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

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assumptions		
Discount rate	**6.80%**	6.80%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**6.80%**	7.65%
Expected average remaining working lives of employees (years)	**17.31**	16.85
Demographic assumptions		
Mortality rate	**IALM (2012-14)**	IALM (2012-14)
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, 2022 are Rs. 219.75 lakhs (March 31, 2021: Rs. 291.13 lakhs).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance the liabilities of the gratuity plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

(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 March 31, 2021 Rs. lakhs		For the year ended March 31, 2020 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(127.42)**	**136.34**	(405.88)	106.24
Future salary growth (0.50%)	**138.08**	**(130.13)**	109.11	(416.84)

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

Sensitivities due to mortality & withdrawals are insignificant & hence not considered in sensitivity analysis 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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Within 1 year	**629.47**	704.33
1 year to 5 years	**1,505.47**	1,659.85
More than 5 years	**1,951.79**	1,627.74

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2021 works out to Rs.1,174.72 lakhs (31 March 2020: Rs. 1,347.06 lakhs)

D. Provident fund:

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Benefit Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

The following table sets out the status of Provident Fund obligation

Particulars	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Net Provident Fund liability / (asset)	**201.78**	129.01
Advance to provident fund trust	**196.38**	-

(i) Reconciliation of the provident fund liability

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

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**15,037.85**	14,315.69
Current service cost	**371.03**	370.67
Contribution by plan participants / employees	**1,129.88**	1,030.52
Interest cost	**1,187.44**	1,162.02
Actuarial (Gain) / Loss on arising from changes in demographic assumptions	**-**	(0.03)
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**-**	5.27
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**(24.30)**	(3.96)
Benefits paid	**(3,662.96)**	(1,842.33)
Balance at the end of the year	**14,038.94**	15,037.85

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**14,908.84**	14,288.95
Expected return on plan assets	**1,185.39**	1,159.97
Contribution by the Company	**371.03**	370.67
Contribution by plan participants / employees	**1,129.88**	1,030.52
Benefits paid	**(3,662.95)**	(1,842.33)
Actuarial gains / (losses) recognised in other comprehensive income*	**(95.03)**	(237.44)
Shortfall funded by the Company	**-**	138.49
Balance at the end of the year	**13,837.16**	14,908.84

* Includes Rs. 98.30 lakhs (March 31, 2020: Rs.100.15 lakhs) on account of provision of write down of investments.

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Current service cost	**371.03**	370.67
Interest cost	**2.05**	2.05
Net cost	**373.08**	372.72

(iv) Remeasurements recognized in other comprehensive income

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
(Loss) recognised in other comprehensive income	**(70.73)**	(128.99)

(v) Actuarial assumptions

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

Particulars	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Financial assumptions		
Discount rate	**6.80%**	6.80%
Expected statutory interest rate	**8.50%**	8.50%
Demographic assumptions	**IALM (2012-14)**	IALM (2012-14)
Mortality rate	**Up to 30 years- 3%**	Up to 30 years- 3%
Withdrawal rate	**31 to 44 years- 2%**	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	**58 years and 60 years**	58 years and 60 years

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(vi) 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 March 31, 2021 Rs. lakhs**		For the year ended March 31, 2020 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(4.86)**	**5.11**	(4.32)	4.60

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

Sensitivities due to mortality & withdrawals are insignificant & hence not considered in sensitivity analysis disclosed.

E. 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
Versa Trading Limited (subsidiary of DCM Hyundai Limited till 23.03.2020)

Key management personnel
Mr. S. B. Mathur, Chairman
Mr. Tilak Dhar, Senior Managing Director (upto 30.06.2019)
Mr. Alok B. Shriram, Senior Managing Director (w.e.f. 13.08.2019)
Mr. Madhav B. Shriram, Managing Director
Mrs. Urvashi Tilak Dhar, Director (w.e.f. 13.08.2019)
Mr. N. K.Jain, Director & CFO (Director w.e.f. 01.11.2019)
Mr. P. R. Khanna, Independent Director
Mr. Ravinder Narain, Independent Director
Mr. S. C. Kumar, Independent Director
Mr. C. Vikas Rao, Nominee Director (upto 30.09.2020)
Ms. V. Kavitha Dutt, Independent Director
Mr. Sanjay C. Kirloskar, Independent Director
Mr. K.N.Rao Director & CEO Rayons (upto 31.10.2019)
Mr. Y. D. Gupta, Vice President & Company Secretary
Mr. Mukesh Gupta, Nominee Director (w.e.f. 01.10.2020)
Mr. Manoj Kumar, Non-executive Director (w.e.f. 27.06.2020)

Relatives/HUF of key management personnel
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)
M/s. Lala Bansi Dhar & Sons- HUF
Mrs. Suman Bansi Dhar
Mrs. Divya Shriram
Mrs. Karuna Shriram
Ms. Aditi Dhar
Mrs. Manju Narain
Mr. Rohit Gupta

Trusts
Employees' Provident Fund Trust, DCM Shriram Industries Limited
Daurala Organics Limited Employees' Provident Fund Trust
DCM Shriram Industries Limited Superannuation Trust
DCM Shriram Industries Limited Employees' Gratuity Fund

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
Kirloskar Corrocoat Private Limited
Lily Commercial Private Limited
Hi-Vac Wares Private Limited

B. Transactions with related parties:

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel	**196.73**	188.39
Bantam Enterprises Private Limited	**34.55**	33.04
H.R. Travels Private Limited	**9.18**	7.91
Others	**0.75**	-
Total	**241.21**	229.34
Interest expense		
Key management personnel	**10.74**	-
Relatives of Key management personnel	**19.06**	20.59
Independent Directors & their relatives/HUF	**3.75**	3.78
Total	**33.55**	24.37
Other expenses		
Hindustan Vaccum Glass Private Limited	**83.95**	-
Kirloskar Corrocoat Private Limited	**11.76**	-
Others	**1.08**	-
Total	**96.79**	-
Purchase of property, plant and equipment		
Hindustan Vaccum Glass Private Limited	**277.58**	4.22
Equity dividend paid		
Associate	**-**	245.18
Key management personnel	**1.66**	2.53
Relatives/HUF of key management personnel	**6.00**	13.24
Bantam Enterprises Private Limited	**67.85**	149.27
Lily Commercial Private Limited	**154.49**	328.00
H.R. Travels Private Limited	**32.13**	70.68
Hi-Vac Wares Private Limited	**39.66**	87.25
	301.79	896.15
Public deposits received		
Key management personnel	**74.76**	100.00
Security deposit paid		
Relatives/HUF of key management personnel	**-**	1.17
Public Deposits paid		
Relatives of Key Management Personnel	**44.76**	-
Salaries and bonus including contributions made to provident fund		
Key management personnel		
Mr. Tilak Dhar	**-**	76.11
Mr. Alok B.Shriram	**329.27**	306.11
Mr. Madhav B.Shriram	**329.42**	306.11
Mrs. Urvashi Tilak Dhar	**273.51**	161.70
Mr. K.N. Rao	**-**	43.28
Mr. N. K. Jain	**56.83**	50.33
Mr. Y. D. Gupta	**30.10**	29.93
Relatives of key management personnel	**116.32**	90.31
Total	**1,135.45**	1,063.88

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Post-employment defined benefit plan		
Gratuity		
Key management personnel		
Mr. Alok B.Shriram	**5.88**	6.56
Mr. Madhav B.Shriram	**5.78**	6.45
Mrs. Urvashi Tilak Dhar	**3.13**	3.08
Mr. N.K. Jain	**2.00**	8.24
Mr. Y.D. Gupta	**3.66**	4.89
Mr. K.N. Rao	**-**	4.32
Relatives of key management personnel	**16.79**	2.45
Total	**37.24**	35.99
Other long term defined benefit plan		
Compensated absences		
Key management personnel		
Mr. Alok B.Shriram	**7.43**	10.86
Mr. Madhav B.Shriram	**6.58**	8.75
Mrs. Urvashi Tilak Dhar	**6.78**	4.53
Mr. N.K. Jain	**1.13**	1.84
Mr. Y.D. Gupta	**(1.74)**	1.25
Mr. K.N. Rao	**-**	1.62
Relatives of key management personnel	**16.42**	3.47
Total	**36.60**	32.32
Commission to Independent Directors		
Mr. P. R. Khanna	**15.86**	16.29
Mr. S. B. Mathur	**16.85**	17.29
Mr. Ravinder Narain	**13.91**	14.29
Mr. S. C. Kumar	**15.87**	16.29
Mr C Vikas Rao	**-**	11.29
Mrs. V. Kavitha Dutt	**14.88**	13.29
Mr. Sanjay C. Kirloskar	**12.92**	13.30
Mr. Mukesh Gupta	**10.96**	-
Mr. Manoj Kumar	**11.46**	-
Total	**112.71**	102.04
Total compensation paid to key management personnel	**1,322.00**	1,234.23
Post-employment Defined benefit plan		
Contribution paid to provident fund		
Trusts	**1,500.91**	1,353.88
Gratuity		
Trust	**14.40**	12.26
Other long term Defined contribution plan		
Superannuation		
Trust	**174.35**	185.85

Balances with related parties

Particulars	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Security deposit receivable		
Relatives/HUF of key management personnel	**28.32**	49.71
Bantam Enterprises Private Limited	**5.31**	-
Total	**33.63**	49.71
Advance to contractors		
Hindustan Vaccum Glass Private Limited	**-**	22.13
Kirloskar Corrocoat Private Limited	**-**	5.67
Total	**-**	27.80
Other advances		
Employees' Provident Fund Trust, DCM Shriram Industries Limited	**196.38**	-
Capital advances		
Hindustan Vaccum Glass Private Limited	**7.47**	-
Payables		
Public deposits including interest accrued		
Relatives/HUF of key management personnel	**311.85**	274.34
Independent Directors & their relatives	**37.50**	37.50
Total	**349.35**	311.84
Provisions		
Daurala Organics Limited Employees' Provident Fund Trust	**201.78**	129.01
Trade payables		
Hindustan Vaccum Glass Private Limited	**23.54**	1.59
Kirloskar Corrocoat Private Limited	**1.80**	-
Sitting fees to Indepdendent Directors	**4.63**	-
Commission to Independent Directors	**112.71**	102.04
Remuneration to key management personnel	**568.95**	469.99
	711.63	573.62

Note:
Transactions with the related parties are made on normal commercial terms and conditions and at market rates, to be settled in cash.

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, 2020 (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*	-	-	532.74	**532.74**	-	-	-
(ii) Other financial assets*	-	-	445.56	**445.56**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	1,161.03	-	-	**1,161.03**	1,161.03	-	-
(ii) Trade receivables*	-	-	18,457.16	**18,457.16**	-	-	-
(iii) Cash and cash equivalents*	-	-	4,357.85	**4,357.85**	-	-	-
(iv) Other bank balances*	-	-	392.23	**392.23**	-	-	-
(v) Loans*	-	-	47.99	**47.99**	-	-	-
(vi) Other financial assets*	-	-	13,347.65	**13,347.65**	-	-	-
Total	**1,161.03**	**-**	**37,581.18**	**38,742.21**			

continued on next page

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	23,560.39	**23,560.39**	-	-	23,560.39
(ii) Lease liabilities*	-	-	2,154.54	**2,154.54**	-	-	-
(iii) Other financial liabilities*	-	-	87.79	**87.79**	-	-	-
				-	-	-	-
Current							
(i) Borrowings#	-	-	35,212.30	**35,212.30**	-	-	-
(ii) Lease liabilities*	-	-	414.40	**414.40**	-	-	-
(iii) Trade payables*	-	-	27,372.37	**27,372.37**	-	-	-
(iv) Other financial liabilities*	-	-	1,732.63	**1,732.63**	-	-	-
Total	-	-	**90,534.42**	**90,534.42**			

ii. As on March 31, 2021 (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*	-	-	501.82	**501.82**	-	-	-
(ii) Other financial assets*	-	-	123.59	**123.59**	-	-	-
Current							
(i) Investments* Debt instrument (Mutual funds)	4,769.58	-	-	**4,769.58**	4,769.58	-	-
(ii) Trade receivables*	-	-	19,676.06	**19,676.06**	-	-	-
(iii) Cash and cash equivalents*	-	-	1,985.90	**1,985.90**	-	-	-
(iv) Other bank balances*	-	-	1,215.51	**1,215.51**	-	-	-
(v) Loans*	-	-	54.32	**54.32**	-	-	-
(vi) Other financial assets*	**58.87**	**-**	13,277.20	**13,336.07**	58.87	**-**	**-**
Total	**4,828.45**	**-**	**36,834.40**	**41,662.85**			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	18,733.65	**18,733.65**	-	-	18,733.65
(ii) Lease liabilities*	-	-	1,773.99	**1,773.99**	-	-	-
(iii) Other financial liabilities*	-	-	101.62	**101.62**	-	-	-
Current							
(i) Borrowings#	-	-	29,861.20	**29,861.20**	-	-	-
(ii) Lease liabilities*	-	-	399.15	**399.15**	-	-	-
(iii) Trade payables*	-	-	34,190.72	**34,190.72**	-	-	-
(iv) Other financial liabilities*	-	-	2,423.81	**2,423.81**	-	-	-
Total	**-**	**-**	**87,484.14**	**87,484.14**			

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 fair value of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instuments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

* The carrying amounts of trade receivables, trade payables, lease liabilites, 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), lease liabilities 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, 2021 and March 31, 2020.

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) The fair value of all derivate contracts is determined using forward exchange rate at the balance sheet.

b. Risk Management

The Company manages risk arising from financial instruments as under :

(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 March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investments	**5,382.98**	1,774.43
Trade receivables	**19,676.06**	18,457.16
Cash and cash equivalents	**1,985.90**	4,357.85
Other bank balances	**1,215.51**	392.23
Loans	**556.14**	580.73
Other financial assets	**13,459.66**	13,793.21

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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
1-90 days past due *	**2,148.91**	2,286.69
91 to 180 days past due	**43.01**	551.86
More than 180 days past due #	**9.05**	27.78
Not due	**17,475.09**	15,590.83
	19,676.06	18,457.16

* The Company believes that the unimpaired amounts are 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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**29.97**	29.97
Impairment loss recognised / (reversed)	**(5.10)**	-
Amount written off	**-**	-
Balance at the end of the year	**24.87**	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.

b. Financial risk management (continued)

(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.3,201.41 lakhs as at March 31, 2021 (March 31, 2020 Rs. 4,750.09 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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
From banks	**14,350.88**	10,713.69

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, 2020	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*	17,782.29	-	17,584.49	197.80	17,782.29
Lease liabilities*	2,154.54	-	1,776.31	378.23	2,154.54
Other financial liabilities	87.79	-	87.79	-	87.79
Current liabilities					
Borrowings	35,212.30	35,212.30	-	-	35,212.30
Lease liabilities	414.40	414.40	-	-	414.40
Trade payables	27,372.37	27,372.37	-	-	27,372.37
Other financial liabilities	7,510.73	7,510.73	-	-	7,510.73
Total	**90,534.42**	**70,509.80**	**19,448.59**	**576.03**	**90,534.42**

(Rs. lakhs)

As at March 31, 2021	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*	11,507.11	-	11,358.76	148.35	11,507.11
Lease liabilities*	1,773.99	-	1,631.98	142.01	1,773.99
Other financial liabilities	101.62	-	101.62	-	101.62
Current liabilities					
Borrowings	29,861.20	29,861.20	-	-	29,861.20
Lease liabilities	399.15	399.15	-	-	399.15
Trade payables	34,190.72	34,190.72	-	-	34,190.72
Other financial liabilities	9,650.35	9,650.35	-	-	9,650.35
Total	**87,484.14**	**74,101.42**	**13,092.36**	**290.36**	**87,484.14**

* Contractual cash flows do not include interest expense

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, 2021 and March 31, 2020.

(Rs. Lakhs)

Particulars	As at March 31, 2021		
	USD	EURO	GBP
Financial assets			
Trade receivables*	1,186.40	1,507.81	-
Advance to contractors	21.97	114.29	10.13
	1,208.37	**1,622.10**	**10.13**
Financial liabilities			
Borrowings	**1,705.26**	**87.15**	**-**
Trade payables	6,378.18	423.47	3.80
	8,083.44	**510.62**	**3.80**

(Rs. Lakhs)

Particulars	As at March 31, 2020		
	USD	EURO	GBP
Financial assets			
Trade receivables*	7,657.76	943.87	-
Advance to contractors	15.26	5.06	-
Cash and cash equivalents	0.16	-	-
	7,673.18	**948.93**	**-**
Financial liabilities			
Borrowings	271.38	251.82	-
Trade payables	5,560.08	506.86	0.82
	5,831.46	**758.68**	**0.82**

*** Trade receivables are net of corresponding foreign exchange contracts**

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2021 (previous year ended as on March 31, 2020) 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, 2021				
USD	(68.75)	68.75	(44.73)	44.73
EUR	11.11	(11.11)	7.23	(7.23)
GBP	0.06	(0.06)	0.04	(0.04)
	(57.58)	**57.58**	**(37.46)**	**37.46**
For the year ended March 31, 2020				
USD	18.42	(18.42)	11.98	(11.98)
EUR	1.90	(1.90)	1.24	(1.24)
GBP	(0.01)	0.01	(0.01)	0.01
	20.31	**(20.31)**	**13.21**	**(13.21)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 24 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors. The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit risk quality yield curves in the respective currency.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

					Maturity			
Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Upto 12 months Nominal amount (in lakhs)		More than 12 months Nominal amount (in lakhs)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD/INR Sell Forward	82	21	111.72	23.00	8,293.30	1,689.74	-	-
EUR/INR Sell Forward	4	3	5.95	3.00	512.18	253.54	-	-
EUR/USD Sell Forward	3	-	4.77	-	407.49	-	-	-
USD/INR Buy Forward	3	-	4.21	-	308.18	-	-	-

Impact of depreciation / appreciation in INR against USD/EUR in respect of forward contracts is not material.

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 March 31, 2021 Rs. lakhs**	**As at March 31, 2020 Rs. lakhs**
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**1,215.51**	392.23
Loans	**556.14**	580.73
Other Financial assets	**13,459.66**	13,793.21
Total	**15,231.31**	**14,766.17**
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**9,136.74**	13,202.80
Public Deposits	**783.37**	618.31
Variable-rate instruments		
Term loans	**8,813.54**	9,739.28
Cash Credit	**29,861.20**	35,212.30
Total	**48,594.85**	**58,772.69**

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, 2021				
Interest on term loans	(96.40)	96.40	(62.71)	62.71
Interest on cash credits	(243.71)	243.71	(158.55)	158.55
For the year ended March 31, 2020				
Interest on term loans	(72.17)	72.17	(46.95)	46.95
Interest on cash credits	(350.86)	350.86	(228.26)	228.26

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 March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Borrowings	**48,594.85**	58,772.69
Less : Cash and cash equivalent	**(1,985.90)**	(4,357.85)
Adjusted net debt (A)	**46,608.95**	54,414.84
Total equity (B)	**59,987.00**	54,139.46
Adjusted net debt to adjusted equity ratio (A/B)	**77.70%**	**100.51%**

48. Research and development expenses amounting to Rs. 349.18 lakhs (March 31, 2020: Rs. 549.23 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 87.91lakhs (March 31, 2020: Rs. 47.04 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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	**777.77**	397.88
- Interest due thereon	**-**	-
(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	Income/ expense head	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Subvention on loan interest	Other income	**146.15**	677.64
Interest subsidy in respect of loan at concessional rate	Other income	**309.54**	285.84
Grant for payment of cane dues subject to fulfillment of sugar export obligation and other conditions	Other operating revenue	**5,359.68**	9,321.56
Duty drawback and other incentive	Other operating revenue	**944.40**	1,282.30
Subsidy against maintenance of buffer stock	Miscellaneous expense	**73.61**	100.07
Subsidy against maintenance of buffer stock	Interest expense	**451.96**	604.90

51. Immovable properties yet to be endorsed in the name of Company are as under :

(Rs. lakhs)

Particluars	Amount as on March 31, 2021	Amount as on March 31, 2020	Remarks
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	**844.04 ***	844.04 *	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	**44.95**	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
Total	**888.99**	888.99	

* Includes leasehold land Rs. 465.00 lakhs at Kota, Rajasthan.

52. Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made to a party and, therefore, no tax has been charged on invoices raised for such supplies. The buyer has provided an undertaking to indemnify the Company for any tax, along with interest, penalty (if levied) or any other related expenses, as may be finally incurred in this regard.

State VAT Authorities had completed ex-parte assessments for the nine months ended March 31,2018 and year ended March 31,2019 and raised demands amounting to Rs 8,085.02 lakhs. The Company filed appeals against such demands and through an order by the appellate authorities, such demands have been set aside in the current year and therefore presently there is no outstanding demand in respect of these period.

Further, during the current year, the Company has received demand orders amounting to Rs 6,911.32 lakhs for the year ended March 31, 2020 and seven months period ended October 31, 2020, against which, the Company has filed appeals to the appellate authority and such demand orders have been stayed.

The Company has also deposited an amount of Rs. 3,000 lakhs as duty under protest in respect of the aforesaid VAT matters.

Pending clarity on imposition of VAT or GST on such supplies, the Company has recognized a provision for contingencies under "Provisions (current)" of Rs. 10,572.51 lakhs (net of amount paid under protest of Rs.3,000.00 lakhs) as at March 31, 2021 (Rs 9,427.42 lakhs as at March 31, 2020). Basis the undertaking from the buyer, the Company has recognized reimbursement assets amounting to Rs.9,972.17 lakhs (net of amount already received of Rs 3,600.34 lakhs) as at March 31, 2021 (Rs. 6,987.08 lakhs as at March 31, 2020) under "Other financial assets (current)"

53. Assets charged as security

The carrying amount of assets charged as security for current and non-current borrowings are as under:

	Note	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Current assets			
Inventories	10	**66,031.96**	66,274.39
Investments	11	**4,769.58**	1,161.03
Trade receivables	12	**19,676.06**	18,457.16
Cash and cash equivalents	13	**1,985.90**	4,357.85
Other bank balances	14	**955.25**	138.91
Loans	15	**54.32**	47.99
Other financial assets	16	**3,363.90**	6,360.57
Other current assets	17	**3,429.14**	2,398.07
Total (I)		**1,00,266.11**	99,195.97
Non-current asset			
Property, plant and equipment	3	**47,463.88**	43,039.64
Capital work-in progress	3	**2,353.41**	3,423.63
Intangible assets	4	**98.55**	112.76
Intangible assets under development	4	**60.97**	-
Loans	6	**501.82**	532.74
Other financial assets	7	**123.59**	445.56
Income-tax assets (net)	8	**1,728.25**	1,599.70
Other non-current assets	9	**755.90**	165.89
Total (II)		**53,086.37**	49,319.92
Grand Total (I&II)		**1,53,352.48**	1,48,515.89

54. The Board of Directors, at their meeting held on June 29,2021, approved the proposal for the sub-division of equity shares of the Company from existing face value of Rs. 10 each to face value of Rs. 2 each (i.e. split of 1 equity share of Rs. 10 each into 5 equity shares of Rs. 2 each), subject to approval of the shareholders in the ensuing Annual General Meeting of the Company and other regulatory approvals.

55. In preparation of the financial statements for the year ended 31 March 2021, the Company has taken into account the possible impact of Covid-19 and the related internal and external factors known to the management up to the date of approval of these financial statements. Based on its review and current indicators of future economic conditions, there is no impact on these 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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

INDEPENDENT AUDITOR'S REPORT

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") and 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 2021, and 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 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 2021, 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 and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion on the consolidated financial statements.

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 Matters

(a) Determination of carrying value of inventory of sugar and the related products as at 31 March 2021
See note 2A(d) and 11 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As on March 31, 2021, the Holding Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of INR 52,512.21 lakhs. The Holding Company produces ethanol at its Distillery unit using a particular type of molasses (B-heavy, a product generated along with sugar). Sugar and B-heavy molasses have been recognised as joint products and the cost of production has been allocated appropriately between these joint products. We considered the determination of carrying value of the inventory (i.e., lower of cost and NRV) of joint products, sugar and B-heavy molasses, as a Key Audit Matter given the relative size in the consolidated financial statements and judgement involved in analysing the relevant factors such as basis for classification of B-heavy molasses as a joint product, determination of a reasonable basis for allocation of cost between the joint products in arriving at the cost of inventories and determination of estimated net realizable value, basis minimum sale price, regulatory intervention in determining periodical restrictions on quantity of sales and frequent fluctuations in selling prices, etc.	We understood and tested controls as established by the management in determination of valuation of closing inventory including for determination of estimated net realizable value of inventory of sugar and allocation of cost between joint products. We considered various factors including technical assessment of the management, significance of the products, manufacturing objective in determination of classification of the products as 'joint products'; the relative net realisable value of sugar and B- heavy molasses based alcohol in determination of a basis for allocation of cost between the joint products. In respect of estimated net realizable value, we have considered factors of actual selling price prevailing during the year and subsequent to the year-end, minimum selling price, and other measures taken by the Government with respect to sugar industry as a whole. Based on the above procedures performed, the carrying value of inventory of sugar and related products as determined by the management is 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 audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance 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 reports 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 the Management and Board of Directors 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 terms 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 Management and 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 Management and 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 the respective Board of Directors 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the going concern basis of accounting by the Management and Board of Directors 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 audit 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 audit report. However, future events or conditions may cause the Group and its 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the Holding Company included in the consolidated financial statements of which we are the independent auditors. 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 controls 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 audit 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 Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 1,260.20 lakhs as at 31 March 2021, total revenues of Rs. 79.17 lakhs and net cash flows amounting to Rs. 14.15 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 after tax of Rs. 215.22 lakhs and Group's share of other comprehensive expense of Rs. 0.52 lakhs for the year ended 31 March 2021, in respect of an associate, 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 the 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 matters 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 a subsidiary and an 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 2021 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 an associate company, none of the directors of the Group companies and its associate company is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and an associate company 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 2021 on the consolidated financial position of the Group and its associate. Refer Note 42 and 55 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 2021.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary company and associate company during the year ended 31 March 2021; 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 2021.

(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 the subsidiary company and associate company, which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate company 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 company 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
UDIN: 21090075AAAAAN8922

Place: New Delhi
Date: 29.06.2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of DCM Shriram Industries Limited for the year ended 31 March 2021

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 of even date]

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, 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 its subsidiary company and its associate company, as of that date.

In our opinion, the Holding Company, its subsidiary company and its associate company, 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 2021, 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 controls 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 company 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 comprise 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 Matters

Our aforesaid report 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 the subsidiary company and an associate company, is based on the corresponding reports of the auditors of such companies.

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

Kaushal Kishore
Partner
(Membership No. 090075)
UDIN: 21090075AAAAAN8922

Place : New Delhi
Date : June 29, 2021

Consolidated Balance Sheet as at March 31, 2021

Particulars	Note	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**47,417.38**	42,993.14
Capital work-in progress	3	**2,353.41**	3,423.63
Right-of-use-assets	41	**2,001.58**	2,499.22
Intangible assets	4	**98.55**	112.76
Intangible assets under development	4	**60.97**	-
Equity accounted investees	5	**1,309.54**	1,525.28
Financial assets			
(i) Investments	6	**-**	-
(ii) Loans	7	**501.82**	532.74
(iii) Other financial assets	8	**123.59**	445.56
Income-tax assets (net)	9	**1,730.00**	1,601.87
Other non-current assets	10	**755.90**	165.89
Total non-current assets		**56,352.74**	53,300.09
Current assets			
Inventories	11	**66,031.96**	66,274.39
Financial assets			
(i) Investments	12	**4,769.58**	1,161.03
(ii) Trade receivables	13	**19,676.06**	18,457.16
(iii) Cash and cash equivalents	14	**2,004.87**	4,362.68
(iv) Other bank balances	15	**2,393.95**	1,326.98
(v) Loans	16	**54.32**	222.99
(vi) Other financial assets	17	**13,362.50**	13,390.98
Other current assets	18	**3,433.09**	2,402.03
Total current assets		**111,726.33**	107,598.24
TOTAL ASSETS		**168,079.07**	160,898.33
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	**1,739.84**	1,739.84
Other equity	20	**59,947.63**	54,213.85
Total equity		**61,687.47**	55,953.69
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	**11,507.11**	17,782.29
(ii) Lease liabilities	41	**1,773.99**	2,154.54
(iii) Other financial liabilities	22	**101.62**	87.79
Provisions	23	**1,278.34**	1,613.74
Deferred tax liabilities (net)	39	**2,987.78**	1,329.06
Other non-current liabilities	24	**52.60**	57.95
Total non- current liabilities		**17,701.44**	23,025.37
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**29,861.20**	35,212.30
(ii) Lease liabilities	41	**399.15**	414.40
(iii) Trade payables	26		
- Total outstanding dues of Micro and Small Enterprises		**777.77**	397.88
- Total outstanding dues of creditors other than Micro and Small Enterprises		**33,413.60**	26,975.39
(iv) Other financial liabilities	27	**9,650.35**	7,510.73
Other current liabilities	28	**11,186.58**	9,824.13
Provisions	29	**3,401.51**	1,584.44
Total current liabilities		**88,690.16**	81,919.27
TOTAL EQUITY AND LIABILITIES		**168,079.07**	160,898.33
Significant Accounting Policies	2A		

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Revenue			
Revenue from operations	30	**194,300.13**	179,494.90
Other income	31	**1,719.86**	2,393.06
Total revenue		**196,019.99**	181,887.96
Expenses			
Cost of material consumed	32	**106,842.36**	97,584.53
Purchase of traded goods	33	**14,757.14**	20,514.47
Changes in inventories of finished goods and work-in-progress	34	**8,579.13**	(3,437.49)
Employee benefits expense	35	**14,745.69**	14,236.10
Finance costs	36	**3,973.88**	4,454.09
Depreciation and amortisation expense	37	**2,916.46**	2,760.95
Other expenses	38	**34,128.62**	36,070.22
Total expenses		**185,943.28**	172,182.87
Profit before share of profit of equity accounted investees and tax		**10,076.71**	9,705.09
Share of profit of equity accounted investees (net of tax)		**(215.23)**	6.02
Profit before tax		**9,861.48**	9,711.11
Tax expense			
Current tax expense	39	**2,950.20**	2,344.68
Deferred tax (credit)/ charge	39	**435.64**	(2,222.50)
		3,385.84	122.18
Profit for the year		**6,475.64**	9,588.93
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement gain/(loss) on defined benefit obligation		**197.64**	(584.62)
Income tax pertaining to items that will not be reclassified to profit or loss		**(69.06)**	204.29
Share of OCI of equity accounted investees (net of tax)		**(0.52)**	(774.97)
Total other comprehensive income/(expense), net of taxes		**128.06**	(1,155.30)
Total comprehensive income		**6,603.70**	8,433.63
Profit for the year attributable to	50		
- Owners of the Company		**6,475.64**	9,588.93
- Non-controlling interest		**-**	-
Other comprehensive income / (expense) for the year attributable to	50		
- Owners of the Company		**128.06**	(1,155.30)
- Non-controlling interest		**-**	-
Total comprehensive income for the year attributable to	50		
- Owners of the Company		**6,603.70**	8,433.63
- Non-controlling interest		**-**	-
Earnings per equity share of Rs. 10 each- basic/ diluted (Rs.)	44	**37.22**	55.11
Significant Accounting Policies	2A		

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Consolidated Statement of Cash Flow for the year ended March 31, 2021

Particulars		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	9,861.48	9,711.11
	Adjustments for :		
	Depreciation and amortisation	2,916.46	2,760.95
	Finance costs	3,973.88	4,454.09
	Interest income	(149.25)	(146.11)
	Interest received against subvention	(455.69)	(963.48)
	Loss/ (Profit) on sale of property,plant and equipment / discarded assets (net)	20.36	179.91
	Share of profit of equity accounted investees (net of tax)	215.23	(6.02)
	Profit on sale of current investments	(29.26)	(19.72)
	Provisions/liabilities no longer required, written back	(272.50)	(20.35)
	Bad debts and advances written off	25.23	2.60
	Net change in fair value of financial assets measured at fair value through profit or loss	(82.89)	(63.77)
	Operating profit before changes in assets and liabilities	16,023.05	15,889.21
	Changes in assets and liabilities		
	Increase / (Decrease) in trade payables	7,090.61	(3,488.64)
	(Decrease) / Increase in financial liabilities	(1.76)	869.35
	Increase in other liabilities & provisions	3,036.41	9,410.98
	(Increase) / Decrease in trade receivables	(1,244.13)	593.83
	Decrease / (Increase) in inventories	242.44	(4,630.44)
	Decrease/ (Increase) in financial assets	363.95	(13,479.82)
	(Increase) / Decrease in other assets	(1,070.51)	426.55
	Cash generated from operations	24,440.06	5,591.02
	Income tax paid (Net)	(1,924.34)	(1,823.01)
	Net cash from operating activities (A)	**22,515.72**	3,768.01
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	(5,703.49)	(7,509.99)
	Proceeds from sale of property, plant and equipments	92.25	303.42
	Purchase of current investments	(7,108.87)	(315.00)
	Proceeds from sale of current investments	3,612.46	947.64
	Changes in other bank balances	(1,066.97)	98.05
	Interest received	160.36	164.93
	Inter Corporate deposits received back	175.00	130.00
	Net cash used in investing activities (B)	**(9,839.26)**	(6,180.95)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	1,566.06	14,618.23
	Repayment of long term borrowings	(6,470.00)	(2,775.37)
	(Repayments) / Proceeds from short term borrowings (net)	(5,351.10)	420.40
	Repayments of Lease Liabilities	(383.59)	(375.10)
	Finance costs paid (Net of subvention)	(3,529.36)	(3,461.46)
	Dividend paid	(866.28)	(1,872.71)
	Dividend distribution tax paid	-	(393.39)
	Net cash from / (used) in financing activities (C)	**(15,034.27)**	6,160.60
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(2,357.81)**	3,747.66
	Cash and cash equivalents at the beginning of the year	**4,362.68**	615.02
	Cash and cash equivalents at the end of the year	**2,004.87**	4,362.68
	Component of cash and cash equivalents		
	Balances with scheduled banks:		
	- Current accounts	1,975.25	4,325.83
	- Deposit with original maturity of Less than three months	18.06	8.00
	- Cash in hand	11.56	28.85
	Cash and cash equivalents at the close of the year	**2,004.87**	4,362.68

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	Lease liability	Total
Opening balance as at April 1, 2019	11,885.10	34,791.90	-	46,677.00
Cash flows during the year	11,353.49	(2,399.42)	(527.37)	8,426.70
Non-cash changes due to:				
- Interest expense (net of subvention)	518.52	2,819.82	-	3,338.34
- Variation in exchange rates	-	-		
- Finance cost on lease liability	-	-	152.27	152.27
- Lease liability recognised	-	-	2,944.04	2,944.04
Closing balance as at March 31,2020	23,757.11	35,212.30	2568.94	61,538.35
Opening balance as at April 1, 2020	**23,757.11**	**35,212.30**	**2568.94**	**61,538.35**
Cash flows during the year	**(6,726.86)**	**(6,842.26)**	**(587.69)**	**(14,156.81)**
Non-cash changes due to:				
- Interest expense (net of subvention)	**1,822.92**	**1,491.16**	**-**	**3,314.08**
- Finance cost on lease liability	**-**	**-**	**204.10**	**204.10**
- Lease liability recognised	**-**	**-**	**(12.21)**	**(12.21)**
Closing balance as at March 31,2021	**18,853.17**	**29,861.20**	**2,173.14**	**50,887.51**

* Includes current maturities of non current borrowings, interest accrued but not due on borrowings and unclaimed deposits and interest accrued thereon, refer Note 22 and 27.

Notes

The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

Significant Accounting Policies 2A

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 2019	1,739.84
Changes in equity share capital during the year ended March 31, 2020	-
Balance as at March 31, 2020	**1,739.84**
Changes in equity share capital during the year ended March 31, 2021	-
Balance as at March 31, 2021	**1,739.84**

B. Other equity **(Rs.lakhs)**

Particulars	Reserve and surplus						Total
	Amalgamation reserve	General reserve	Capital redemption reserve	Capital reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2019	1,411.38	13,465.60	0.10	234.89	3,406.68	29,568.79	48,087.44
Profit for the year	-	-	-	-	-	9,588.93	9,588.93
Other comprehensive income / (expense) for the year	-	-	-	-	-	(1,155.30)	(1,155.30)
Total comprehensive income for the year	1,411.38	13,465.60	0.10	234.89	3,406.68	38,002.42	56,521.07
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Final dividend on equity shares (Rs.6.00 per equity share of Rs.10 each)	-	-	-	-	-	(1,043.91)	(1,043.91)
Dividend distribution tax on final dividend	-	-	-	-	-	(214.58)	(214.58)
Interim dividend on equity shares (Rs.5.00 per equity share of Rs.10 each)	-	-	-	-	-	(869.92)	(869.92)
Dividend distribution tax on interim dividend	-	-	-	-	-	(178.81)	(178.81)
Balance as at March 31, 2020	1,411.38	13,465.60	0.10	234.89	3,406.68	35,695.20	54,213.85
Balance as at April 1, 2020	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**35,695.20**	**54,213.85**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**6,475.64**	**6,475.64**
Other comprehensive income / (expense) for the year	**-**	**-**	**-**	**-**	**-**	**128.06**	**128.06**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**42,298.90**	**60,817.55**
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Interim dividend on equity shares (Rs.5.00 per equity share of Rs.10 each)	**-**	**-**	**-**	**-**	**-**	**(869.92)**	**(869.92)**
Balance as at March 31, 2021	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**41,428.98**	**59,947.63**

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 Group's portion of equity in the subsidiary over its cost of investment.

e. Securities premium

Securities premium has been created on account of the premium received on issue of shares and capital and reorganisation reserve reclassified in the year ended March 31, 1993.This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

f. Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

Significant Accounting Policies 2A

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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

1. Corporate Information

DCM Shriram Industries Limited (the "Parent Group" or the "Holding Company") is a Public Limited Listed Group incorporated in India and having its registered office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi – 110001. The Holding Company and its subsidiary (together "the Group") are 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) Subsidiary:

Subsidiary is the entity 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 entities included in the consolidation and the Parent Company's holding therein is as under:

S. No.	Name of the entity	Nature of relation	Ownership in % either directly or through subsidiary		Country of Incorporation
			2020-21	2019-20	
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 intra-group 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). Intra-group 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 intra-group 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 Financial Statements ("Consolidated Financial Statements") of the Group and its associate 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') and other relevant provisions of the Act, as applicable. The accounting policies are applied consistently in the financial statements.

These Consolidated Financial Statements of the Group and its associate for the year ended March 31, 2021 are approved by the Holding Company's Audit Committee and by the Board of Directors on June 29, 2021.

(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 an accrual basis and under the historical cost convention, except for the following items:

Items	Measurement basis
Derivative financial instruments and certain other financial assets and liabilities	Fair value through P&L
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair Value through P&L

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

(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. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group.

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 2A(f) and 39.
- Assessment of useful life of property, plant and equipment and intangible asset- Note 2A(b) and (c).
- Estimation of obligations relating to employee benefits: key actuarial assumptions - Note 2A(g)
- Valuation of Inventories- Note 2A(d)
- Fair Value Measurement of financials instruments- Note 2A(p)
- Lease Classification- Note 2A(m)
- Determination of ROU assets and liabilities; incremental borrowing rate and lease term- Note 2A(m)
- Recognition and Measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2A(k)
- Impairment of financial assets- Note 2A(p)
- Impairment of non-financial assets- Note 2A(j)

2A. 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.

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

- It is expected to be realised in, or is intended for sale or consumption in, the group’s normal operating cycle,
- It is held primarily for the purpose of being traded,

- It is expected to be realised within 12 months after the reporting date, or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

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

- It is expected to be settled in the group's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or

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

Deferred Tax Assets and Liabilities are classified as non-current only.

(b) Property, plant and equipment (PPE)

(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 and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. 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. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

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. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by Management are 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 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. Leasehold improvements are amortised on a straight line basis over the unexpired period of lease. Freehold land and leasehold land are not depreciated.

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 acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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 item wise at the lower of cost and net realizable value. Cost is ascertained on a ‘weighted average’ basis.

Cost includes direct materials, labour, freight inwards, other direct cost, a proportion of manufacturing overheads based on normal operating capacity, net of refundable duties, levies and taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management’s current best estimate.

The cost of production (including cost of conversion) of joint products is allocated on the joint products based on rational and consistent basis i.e. relative realisable value at the separation point when the products becomes separately identifiable.

By-products are valued at estimated net realizable value.

(e) Revenue recognition

(i) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Group collects Goods and Services Tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue. At contract inception, the Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts etc. as specified in the contract with the customer. 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.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(ii) Rendering of services

Revenue from sale of services is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the transaction at the reporting date when the underlying services are performed. 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 and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

Use of significant judgements in revenue recognition:

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group's performance obligation under revenue contracts, is satisfied at a point in time and judgement is exercised in determining point in time.

(iv) Income from Renewable Energy Certificates (RECs)

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned authorities.

(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.

  Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- 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 subsidiary, 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.

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax (‘MAT’) under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(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 (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions 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.

(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 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.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service (‘past service cost’ or ‘past service gain’) or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 Statement of Profit and Loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provident fund (other than those made to the Regional Provident Fund Office of the Government)

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trusts administered by the Group are accounted for on the basis of actuarial valuation. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, based on actuarial estimate by an approved actuary, shall be made good by the Group.

(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 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 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 (operating and non-operating) 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.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period, is recognised in profit or loss of the period in which it becomes receivable.

(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 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 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 or 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”). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Group’s corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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 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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on assets associated.

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.

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

(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

Group as a lessee

The Group recognizes a Right-of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a. the contract involves the use of an identified asset

b. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and the Group has the right to direct the use of the asset.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(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 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 39 for segment information.

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Group’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

(p) Financial instruments

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

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.

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2A (e) Revenue recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group are classified in three categories:

(a) At amortised cost

(b) At fair value through profit and loss (FVTPL)

(c) At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

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.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is recognised as an impairment gain or loss in the Statement of Profit and Loss.

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.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including gany interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Offsetting

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

Derecognition

(i) Financial assets

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

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

(ii) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

(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 Group 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) Dividend

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(t) Goods and Service tax input credit

Goods and services tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/ utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
2. When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2B. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

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

Statement of profit and loss:

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

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

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

(Rs.lakhs)

Particulars	Freehold land*	Leasehold land*	Leasehold improvement	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount										
Balance as at April 1, 2019	789.26	465.35	-	4,617.19	37,100.42	845.16	438.69	152.93	44,409.00	2,245.66
Add: Additions during the year	-	-	151.80	98.05	6,244.09	147.58	129.97	99.02	6,870.51	7,732.46
Less: Disposals/Adjustments/ Capitalised during the year	-	-	-	1.28	1,227.32	68.07	21.68	18.62	1,336.97	6,554.49
Balance as at March 31, 2020	789.26	465.35	151.80	4,713.96	42,117.19	924.67	546.98	233.33	49,942.54	3,423.63
Add: Additions during the year	**-**	**-**	**271.76**	**525.23**	**5,694.22**	**149.33**	**195.82**	**49.03**	**6,885.39**	**5,206.52**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**-**	**-**	**-**	**209.13**	**133.18**	**37.07**	**12.48**	**391.86**	**6,276.74**
Balance as at March 31, 2021	**789.26**	**465.35**	**423.56**	**5,239.19**	**47,602.28**	**940.82**	**705.73**	**269.88**	**56,436.07**	**2,353.41**
Accumulated depreciation										
Balance as at April 1, 2019	-	-	-	548.52	4,407.82	302.41	196.48	74.80	5,530.03	-
Depreciation expense during the year	-	-	1.65	232.69	1,821.83	113.13	76.03	27.40	2,272.73	-
Less: Disposals / adjustments during the year	-	-	-	1.22	776.78	42.10	18.02	15.24	853.36	-
Balance as at March 31, 2020	-	-	1.65	779.99	5,452.87	373.44	254.49	86.96	6,949.40	-
Add: Depreciation expense during the year	**-**	**-**	**30.97**	**171.35**	**1,902.62**	**107.99**	**100.60**	**35.27**	**2,348.80**	**-**
Less: Disposals / adjustments during the year	**-**	**-**	**-**	**-**	**171.35**	**76.62**	**25.11**	**6.43**	**279.51**	**-**
Balance as at March 31, 2021	**-**	**-**	**32.62**	**951.34**	**7,184.14**	**404.81**	**329.98**	**115.80**	**9,018.69**	**-**
Net carrying value										
As at March 31, 2021	**789.26**	**465.35**	**390.94**	**4,287.85**	**40,418.14**	**536.01**	**375.75**	**154.08**	**47,417.38**	**2,353.41**
As at March 31, 2020	789.26	465.35	150.15	3,933.97	36,664.32	551.23	292.49	146.37	42,993.14	3,423.63

*** Refer note 54 for details of immovable properties which are not yet endorsed in the name of the Holding Company.**

Notes:

1) For contractual commitments with respect to Capital work-in-progress, refer note 42(B).

2) For details on PPE mortaged/charged against borrowings, refer note 56.

3) Borrowing cost capitalised during the year Rs.169.95 lakhs (March 31, 2020- Rs 119.05 lakhs) with a capitalisation rate 9.30% p.a. (March 31, 2020-9.30% p.a. to 10.20% p.a)

4) Leasehold lands are in the nature of perpetual lease.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

4. Intangible assets

(Rs.lakhs)

Particulars	Intangible assets Software	Intangible assets under development
Gross carrying amount		
Balance as at April 1, 2019	187.13	16.50
Add: Additions during the year	65.56	-
Less: Disposals / adjustments during the year	-	16.50
Balance as at March 31, 2020	252.69	-
Add: Additions during the year	**25.84**	**60.97**
Less: Disposals / adjustments / capitalized during the year	**0.25**	**-**
Balance as at March 31, 2021	**278.28**	**60.97**
Accumulated amortisation		
Balance as at April 1, 2019	96.82	-
Amortisation expense during the year	43.40	-
Less: Disposals / adjustments during the year	0.28	-
Balance as at March 31, 2020	139.94	-
Add: Amortisation expense for the year	**39.79**	**-**
Less: Disposals / adjustments during the year	**-**	**-**
Balance as at March 31, 2021	**179.73**	**-**
Net carrying value		
As at March 31, 2021	**98.55**	**60.97**
As at March 31, 2020	112.75	-

Refer note 56 for information on assets charged as security by the Group.

5. Equity accounted investees

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investments in equity shares of associate		
Unquoted equity instruments		
DCM Hyundai Limited		
19,72,000 (March 31, 2020 -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	**1,143.54**	1,359.28
Total	**1,309.54**	1,525.28

6. Investment - Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investment in equity instruments - Trade Investment		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited		
2 (March 31, 2020 - 2) equity shares of face		
value of Rs. 10 each, fully paid up*	**0.00**	0.00
Sub total	**-**	-
Investments in preference shares		
Unquoted instruments		
Preference shares measured at Fair value through other comprehensive income		
Versa Trading Limited		
7,00,000 (March 31, 2020 – 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

* The investment is valued at Rs.20

7. Loans - Non current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 46)		
Security deposits	**30.59**	49.71
To Parties other than Related Parties		
Security deposits	**438.43**	445.37
Loans to employees	**32.80**	37.66
Total	**501.82**	532.74

Refer note 56 for information on assets charged as security by the Group.

8. Other financial assets - Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Bank deposits with maturity of more than twelve months	**-**	8.44
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**123.59**	437.12
Total	**123.59**	445.56

Refer note 56 for information on assets charged as security by the Group.

9. Income tax assets (net)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Advance income tax [net of provision]	**1,730.00**	1,601.87
Total	**1,730.00**	1,601.87

Refer note 56 for information on assets charged as security by the Group.

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

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Relates Parties (Refer note 46)		
Capital advances	**7.47**	-
To Parties other than Related Parties		
Capital advances	**731.93**	146.39
Advance other than capital advances		
- Deferred rent	**0.78**	2.59
- Balance with government authorities	**4.18**	4.18
- Other advances	**11.54**	12.73
Doubtful		
Other advances	**1.30**	1.30
	757.20	167.19
Less: Loss allowance for advances	**1.30**	1.30
Total	**755.90**	165.89

Refer note 56 for information on assets charged as security by the Group.

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

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Raw material*	**13,669.53**	6,580.64
Work in progress	**1,773.17**	1,378.96
Finished goods**#	**45,473.42**	54,446.76
Stores and spares	**5,115.84**	3,868.03
Total	**66,031.96**	66,274.39

* Includes raw material in transit Rs. 1,419.62 lakhs (March 31, 2020: Rs. 736.40 lakhs)

** Includes finished goods in transit Rs. 322.19 lakhs (March 31, 2020: Rs. 164.00 lakhs)

\# The write-down of inventories to net realisable value during the year amounted to Rs. Nil lakhs (31 March 2020: 182.41 lakhs) The write-down is included in changes in inventories of finished goods.

Refer note 56 for information on assets charged as security by the Group.

12. Investments- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
44,064.755 (March 31, 2020: Nil) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**1,782.65**	-
6,03,379.092 (March 31, 2020: Nil) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	**1,838.72**	-
35,641.175 (March 31, 2020: Nil) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**1,148.21**	-
Nil (March 31, 2020: 2,40,348.592) Aditya Birla Sunlife Saving Fund – Growth Regular Plan Units of Rs. 100 each	**-**	955.43
Nil (March 31, 2020: 4,88,625.746) HDFC Low duration Fund – Regular Plan Growth Units of Rs. 10 each	**-**	205.60
Total	**4,769.58**	1,161.03
Aggregate book value and market value of unquoted investments	**4,769.58**	1,161.03

Refer note 56 for information on assets charged as security by the Group.

13. Trade receivables

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Parties other than Related Parties		
Unsecured, considered good	**19,676.06**	18,457.16
Doubtful	**24.87**	29.97
	19,700.93	18,487.13
Less : Loss allowance for trade receivables	**24.87**	29.97
Total	**19,676.06**	18,457.16

The Company's exposure to credit and currency risks are disclosed in note 47.

Refer note 56 for information on assets charged as security by the Group.

14. Cash and cash equivalents

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Balances with banks		
- On current accounts	**1,975.25**	4,325.83
- Deposits with original maturity of less than three months	**18.06**	8.00
Cash on hand	**11.56**	28.85
Total	**2,004.87**	4,362.68

Refer note 56 for information on assets charged as security by the Group.

15. Other bank balances

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Deposits with maturity of more than three months but upto twelve months		
- in deposit accounts	**1,178.44**	934.75
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**1,015.48**	195.84
Earmarked balances with banks – unclaimed dividend accounts	**200.03**	196.39
Total	**2,393.95**	1,326.98

Refer note 56 for information on assets charged as security by the Group.

16. Loans - Current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 46)		
Security deposits	**3.04**	-
To Parties other than Related Parties		
Security deposits	**10.54**	17.41
Loans to employees (including accrued interest)	**8.57**	12.69
Inter-corporate deposits	**-**	175.00
Others	**32.17**	17.89
Total	**54.32**	222.99

Refer note 56 for information on assets charged as security by the Group.

17. Other financial assets - Current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Parties other than Related Parties		
Interest accrued on term deposits	**66.18**	77.28
Government grant receivable	**3,241.00**	6,210.22
Reimbursement assets*	**9,972.17**	6,987.08
Others	**83.15**	116.40
Total	**13,362.50**	13,390.98

* Refer note 55

Refer note 56 for information on assets charged as security by the Group.

18. Other current assets

(unsecured, considered good unless otherwise stated)

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
To Related Parties (Refer note 46)		
Advances to contractors	**-**	27.80
To Parties other than Related Parties		
Advances to contractors	**482.40**	270.57
Other advances		
Advance to employees	**25.74**	20.18
Balance with government authorities	**1,561.81**	1,391.04
Duty drawback & other incentive receivables	**553.14**	352.28
Prepaid expense	**318.71**	272.82
Advance to provident fund trust	**196.38**	-
Prepaid gratuity	**189.57**	-
Others	**105.34**	67.34
Total	**3,433.09**	2,402.03

Refer note 56 for information on assets charged as security by the Group.

19. Equity share capital

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
(a) Authorised		
6,50,00,000 (March 31, 2020: 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, 2020: 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 March 31, 2021		As at March 31, 2020	
	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 Holding 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. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholder.

The Holding Company declares and pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of holding	Number of shares	% of holding
Lily Commercial Private Limited	**31,50,353**	**18.11**	29,94,479	17.21
HB Portfolio Limited	**17,72,120**	**10.19**	25,11,735	14.44
Versa Trading Limited	**25,77,582**	**14.82**	22,24,725	12.79
Bantam Enterprises Private Limited	**13,56,968**	**7.80**	13,56,968	7.80
Life Insurance Corporation of India	**11,61,352**	**6.68**	11,61,352	6.68

20. Other equity

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 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		
Balance as at the beginning and at the end of the year	**3,406.68**	3,406.68
f. Retained earnings		
Balance as at the beginning of the year	**35,695.20**	29,568.79
Add: Profit for the year	**6,475.64**	9,588.93
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of employee benefit obligation, net of tax*	**128.58**	(380.33)
Share of equity accounted investees	**(0.52)**	(774.97)
Less: Appropriations		
Final dividend on equity shares [Dividend per share Rs. Nil (March 31, 2020: Rs. 6.00)]	**-**	(1,043.91)
Tax on dividend	**-**	(214.58)
Interim dividend on equity shares [Dividend per share Rs.5.00 (March 31, 2020: Rs. 5.00)]	**(869.92)**	(869.92)
Tax on dividend	**-**	(178.81)
Balance at the end of the year	**41,428.98**	35,695.20
Total	**59,947.63**	54,213.85

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

21. Borrowings

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties		
Unsecured loans		
Public Deposits	**322.27**	292.27
From Parties other than Related Parties		
Secured loans		
Term loans from banks	**17,370.46**	22,305.37
Term loans from others	**579.82**	636.71
Unsecured loans		
Public Deposits	**461.10**	326.04
	18,733.65	23,560.39
Less: Current maturity of long term borrowing	**7,226.54**	5,778.10
Total	**11,507.11**	17,782.29
Details of current maturity of long term borrowing:		
Secured loans		
Term loans from banks	**6,941.75**	5,642.11
Term loans from others	**56.89**	56.89
Unsecured loans		
Public Deposits	**227.90**	79.10
	7,226.54	5,778.10

A. SECURED

I. From Banks

(a) Nil (March 31, 2020 : Rs.47.95 Lakhs), Rs.775.80 lakhs (March 31, 2020: Rs.1,392.82 lakhs) and Rs.762.39 lakhs (March 31, 2020: Rs.1,453.43 lakhs) carrying interest linked to lender's 3 months MCLR and spread thereon, repayable in 0, 5 and 5 quarterly instalments 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 and assets on exclusive charges, 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, 2020: Rs.22.77 lakhs) was secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

(c) Rs.315.81 lakhs (March 31, 2020: Rs.474.85 lakhs) carrying interest of linked to lender's 1 year MCLR and spread thereon, repayable in 6 quarterly instalments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.

(d) Rs.3,525.70 lakhs (March 31, 2020: Rs.4,610.53 lakhs) carrying interest of 5% p.a., repayable in 39 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(e) Rs.794.76 lakhs (March 31, 2020: Rs.989.57 lakhs), Rs.552.68 lakhs (March 31, 2020: Rs. 688.98 lakhs) and Rs.3,265.98 lakhs (March 31, 2020: Rs.2,243.49 lakhs) carrying interest linked to lender's LTMLR, repayable in 12, 12 and 16 quarterly instalments, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(f) Rs.2,999.98 lakhs (March 31, 2020: Rs,4,000.00 lakhs), Rs.2,031.25 lakhs (March 31, 2020: Rs.2,500.00 lakhs) and Nil (March 31, 2020: Rs.1,451.00 lakhs) carrying interest rate of 8.95% p.a., repayable in 9 and 13 quarterly instalments, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

(g) Rs.1,975.11 lakhs (March 31, 2020: Rs.2,425.42 lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon with 50% interest subvention and 1 year MCLR and spread thereon, repayable in 13 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

(h) Rs.371.00 lakhs (March 31, 2020: Nil) carrying interest linked to lender's 6 months MCLR and spread thereon, repayable in 1 instalment, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

(i) Nil (March 31, 2020: Rs.4.56 lakhs) was secured by hypothecation of specific assets.

II. From Others

Rs.494.50 lakhs (March 31, 2020: Rs.494.50 lakhs) and Rs.85.32 lakhs (March 31, 2020: Rs.142.21) carrying interest linked to RBI's Bank rate minus 2% respectively, repayable in 10 and 3 half yearly installments, are secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.

B. Unsecured

Rs.783.37 lakhs (March 31, 2020: Rs.618.31 lakhs), Deposits from public, carries interest between 9.5% p.a to 10.50% p.a., are currently repayable after 3 years from the date of acceptance of deposits.

22. Other financial liabilities- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties		
Interest accrued but not due on borrowings	**16.05**	11.83
From Parties other than Related Parties		
Interest accrued but not due on borrowings	**26.49**	18.50
Deposits from contractors and others	**10.15**	10.08
Others	**48.93**	47.38
Total	**101.62**	87.79

23. Provisions- Non current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Gratuity	**-**	436.52
- Compensated absences	**979.89**	959.53
- Provident fund trust	**198.45**	117.69
Provision for contingencies*	**100.00**	100.00
Total	**1,278.34**	1,613.74

* Provision for contingencies of Rs. 100 lakhs (March 31, 2020: Rs. 100 lakhs) represents the maximum possible exposure on ultimate settlement of issues relating to reorganisation arrangement of the Holding Company. There is no movement in the provision during the year.

24. Other non-current liabilities

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Others	**52.60**	57.95
Total	**52.60**	57.95

25. Borrowings

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**29,861.20**	35,212.30
Total	**29,861.20**	35,212.30

* Secured by first pari-passu charge against the Holding Company's current and non-current assets (except reimbursement asset, earmarked deposits and Holding Company's property, plant and equipments), both present and future. Some of these are further secured by way of second / third pari-passu charge on the Holding Company's property, plant and equipment. These carry interest rate ranging from 1.60% to 8.85% p.a.. Also refer note 56.

26. Trade payables

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Total outstanding dues of Micro and Small Enterprises*	**777.77**	397.88
Total outstanding dues other than Micro and Small Enterprises#	**33,413.60**	26,975.39
Total	**34,191.37**	27,373.27

* Refer note 52 for Micro and Small Enterprises.
# Includes payable to related parties Rs. 711.63 lakhs (March 31, 2020 Rs. 573.62 lakhs), refer note 46.

Notes:

a) Includes acceptances Rs. 3,854.16 lakhs (March 31, 2020 Rs. 3,282.34 lakhs).

b) The Group exposure to currency and liquidity risks related to trade payables is disclosed in Note 47.

27. Other financial liabilities- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
From Related Parties		
Interest accrued but not due on borrowings	**11.03**	7.74
From Parties other than Related Parties		
Creditors for capital purchases	**964.27**	172.78
Current maturities of long term borrowings (Refer note 21)	**7,226.54**	5,778.10
Security deposits	**26.84**	2.60
Interest accrued but not due on borrowings	**65.97**	125.88
Unclaimed dividends*	**200.03**	196.39
Unclaimed deposits and interest accrued thereon	**-**	32.77
Other payables		
Deposits from contractors and others	**254.63**	274.70
Employees related payable	**857.23**	875.33
Others	**43.81**	44.44
Total	**9,650.35**	7,510.73

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

28. Provision- Current

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Compensated absences	**409.01**	387.53
- Provident fund trust	**3.33**	9.18
Provision for contingencies (Refer note 55)	**10,572.51**	9,427.42
Others*	**201.73**	-
Total	**11,186.58**	9,824.13

* Expected claims from customer in respect of past sales made during the year and not settled.

29. Other current liabilities

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Advances from customers	**2,110.20**	281.17
Statutory dues payable	**1,051.47**	1,136.35
Others	**239.84**	166.92
Total	**3,401.51**	1,584.44

30. Revenue from operations

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Sale of products@		
Export	**40,414.39**	40,250.71
Domestic #	**1,42,051.51**	1,22,875.07
	1,82,465.90	1,63,125.78
Sale of services@		
Processing charges	**4,536.41**	4,422.85
Others	**39.31**	36.87
	4,575.72	4,459.72
Other operating revenue		
Sale of scrap	**819.25**	563.79
Duty draw back, export benefits and other government assistance*	**6,304.08**	10,603.86
Sale of renewable energy certificates	**33.22**	544.56
Others	**101.96**	197.19
Total	**1,94,300.13**	1,79,494.90

\# Includes Rs.11,846.80 lakhs (March 31, 2020: Rs.11,348.90 lakhs) in respect of sales made to domestic parties to fulfill export obligation as per Maximum Admissible Export Quantity (MAEQ) Scheme.

* Refer note 53

@ Refer note 40 for disaggregation of revenue

Contract balances	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Trade receivables (Refer note 13)	**19,676.06**	18,457.16
Contract liabilites		
Advances from customers (Refer note 29)	**2,110.20**	281.17

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Contracted price	**1,87,631.61**	1,68,060.27
Less: Discounts	**589.99**	474.77
	1,87,041.62	1,67,585.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

31. Other income

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Interest income from financial assets measured at amortised cost		
- From deposits with banks	**126.35**	115.58
- Unwinding of discount on security deposits	**0.60**	0.63
- Interest income on inter-corporate deposit	**22.31**	29.91
- Interest subsidy*	**455.69**	963.48
Provisions/liabilities no longer required, written back	**272.50**	20.35
Rental income	**56.33**	43.41
Profit on sale of current investments	**29.26**	19.72
Net change in fair value of financial assets measured at fair value through profit or loss	**82.89**	63.77
Gain on foreign exchange fluctuation (net)	**591.52**	1,005.95
Miscellaneous income	**82.41**	130.26
Total	**1,719.86**	2,393.06

* Refer note 53 .

32. Cost of material consumed

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Raw materials at the beginning of the year	**6,580.64**	4,858.00
Add: Purchases	**1,13,931.25**	99,307.17
	1,20,511.89	1,04,165.17
Less: Raw materials at the end of the year	**13,669.53**	6,580.64
Total	**1,06,842.36**	97,584.53
Particulars of materials consumed are as under:		
Sugarcane	**81,077.49**	66,027.76
Wood pulp	**6,545.12**	7,753.43
Others	**19,219.75**	23,803.34
Total	**1,06,842.36**	97,584.53

33. Purchase of traded goods

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Grain spirits	**14,757.14**	20,514.47
Total	**14,757.14**	20,514.47

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

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Opening stock		
Finished goods	**54,446.76**	50,737.21
Work-in-progress	**1,378.96**	1,651.02
Total	**55,825.72**	52,388.23
Closing stock		
Finished goods	**45,473.42**	54,446.76
Work-in-progress	**1,773.17**	1,378.96
Total	**47,246.59**	55,825.72
	8,579.13	(3,437.49)

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

Finished goods		
Sugar	**38,280.99**	48,768.12
Alcohol	**5,524.81**	1,296.28
Organic/ Fine chemicals	**464.82**	753.54
Industrial fibers	**1,202.80**	3,628.82
Total	**45,473.42**	54,446.76
Work-in-progress		
Sugar	**616.10**	465.18
Alcohol	**59.76**	45.94
Organic/ Fine chemicals	**644.81**	533.69
Industrial fibers	**452.50**	334.15
Total	**1,773.17**	1,378.96

35. Employee benefits expense

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Salaries, wages and bonus* #	**12,800.90**	12,409.24
Contribution to provident and other funds*	**1,533.08**	1,495.74
Staff welfare expenses	**411.71**	331.12
Total	**14,745.69**	14,236.10

* Refer note 45

\# Includes payment to contractual labour

36. Finance costs

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Interest expense* #	**3,827.00**	4,335.72
Other borrowing costs	**146.88**	118.37
Total	**3,973.88**	4,454.09

* Refer note 53

\# includes Rs.204.10 lakhs interest on lease liabilities (March 31, 2020:Rs.152.27 lakhs)

37. Depreciation and amortisation expense

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Depreciation on property, plant and equipment	**2,348.80**	2,272.73
Amortisation on intangible assets	**39.79**	43.40
Amortisation on right-of-use assets	**527.87**	444.82
Total	**2,916.46**	2,760.95

38. Other expenses

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Stores and spares	**9,792.25**	9,637.04
Power and fuel	**7,999.70**	9,948.41
Repair and maintenance		
- Buildings	**722.68**	975.67
- Plant and machinery	**4,797.21**	4,514.10
Rent*	**133.08**	238.39
Payment to auditors		
- As auditors	**40.59**	26.30
- Limited review of unaudited financial results	**37.50**	22.50
- Verification of statements and other records	**10.25**	7.50
- Out-of-pocket expenses	**3.31**	4.21
Insurance	**303.14**	270.97
Rates and taxes	**104.91**	71.97
Freight and transport	**1,590.69**	1,515.57
Commission to selling agents	**2,128.99**	1,869.73
Loss on Export obligation**	**600.00**	72.41
Loss on sale of property, plant and equipment (net)	**20.36**	179.91
Donation	**0.30**	0.10
Corporate social responsibility (refer note below)	**201.86**	170.65
Bad debts and advances written off	**25.23**	2.60
Miscellaneous expense #	**5,616.57**	6,542.19
Total	**34,128.62**	36,070.22

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Company during the year	**165.50**	204.75
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above***	**201.86**	170.65***

* Refer note 41

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

*** Rs. 34.10 lakhs was spent subsequent to March 31, 2020 due to lockdown.

\# Refer note 53

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, 2021 and March 31, 2020 are:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Current tax expense	**2,950.20**	2,344.68
Deferred tax charge/ (credit)	**435.64**	(2,222.50)
Income tax expense reported in the statement of profit and loss	**3,385.84**	122.18

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

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**(69.06)**	204.29
Income tax charges to other comprehensive income/(expense)	**(69.06)**	204.29

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, 2021 and March 31, 2020:

(Rs.Lakhs)

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax from continuing operations, including OCI				
- **Holding company**	**34.94%**	10,196.43	**34.94%**	9,037.15
- **Subsidiary company**	**26.00%**	77.91	**26.00%**	83.32
Tax using the Company's domestic tax rate	**34.88%**	3,583.30	**34.86%**	3,179.60
Tax effect of:				
Non-deductible expenses	**0.80%**	82.04	**0.73%**	66.52
Tax-exempt income	**0.00%**	-	**-0.77%**	(69.89)
Change in estimates*	**-1.57%**	(160.97)	**-25.52%**	(2,327.36)
Others #	**-0.48%**	(49.47)	**-10.21%**	(930.99)
Effective tax rate	**33.63%**	3,454.90	**-0.90%**	(82.11)

* Section 115 BAA of the Income Tax Act, 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to domestic companies for payment of corporate tax at reduced rates. As per CBDT Circular, in case this option is exercised, the Holding Company shall not be able to utilise the outstanding MAT credit. The Holding Company is likely to exercise the option at a later date. Consequently, during the previous year, the Holding Company had remeasured the deferred tax assets / liabilities likely to be reversed at the time the Holding Company would opt for new tax regime, which had resulted in write back of deferred tax liability amounting to Rs. 2,053.83 lakhs pertaining to previous years prior to 31 March 2019 and Rs.273.53 lakhs pertaining to year ended 31 March 2020. There is no such impact in the current year.

\# Include Rs. Nil (March 31, 2020: Rs.1,032.89 lakhs) recognised with the credit to profit and loss on the basis of reassessment of MAT credit charged-off in the previous years.

D. Deferred tax assets/liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Accrued expense deductible on payment	**249.41**	240.35	-	-	**249.41**	240.35
Provision for gratuity, compensated absences	**419.08**	658.25	-	-	**419.08**	658.25
Loss allowance for trade receivables	**8.69**	10.47	-	-	**8.69**	10.47
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/ intangible assets	**-**	-	**6,819.21**	6,383.90	**(6,819.21)**	(6,383.90)
Others	**170.03**	46.88	**229.45**	268.80	**(59.42)**	(221.92)
	847.66	956.40	**7,048.66**	6,652.70	**(6,201.00)**	(5,696.29)
MAT credit entitlement **	**3,213.22**	4,367.23	-	-	**3,213.22**	4,367.23
Net Deferred tax liabilities	**4,060.88**	5,323.63	**7,048.66**	6,652.70	**(2,987.78)**	(1,329.06)

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

E. Movement in temporary differences

For the year ended 31 March 2021

(Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Accrued expense deductible on payment	**240.35**	**9.06**	**-**	**249.41**
Provision for gratuity, compensated absences and other employee benefits	**658.25**	**(170.11)**	**(69.06)**	**419.08**
Loss allowance for trade receivables	**10.47**	**(1.78)**	**-**	**8.69**
Loss allowance for other assets	**0.45**	**-**	**-**	**0.45**
Others	**46.88**	**123.15**	**-**	**170.03**
	956.40	**(39.68)**	**(69.06)**	**847.66**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ Others	**(6,383.90)**	**(435.31)**	**-**	**(6,819.21)**
Others	**(268.80)**	**39.35**	**-**	**(229.45)**
	(6,652.70)	**(395.96)**	**-**	**(7,048.66)**
Total	**(5,696.30)**	**(435.64)**	**(69.06)**	**(6,201.00)**

For the year ended 31 March 2020 (Rs.Lakhs)

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other compre-hensive income	Closing balance
Deferred tax assets				
Accrued expense deductible on payment	**275.17**	**(34.82)**	**-**	**240.35**
Provision for gratuity, compensated absences and other employee benefits	**509.11**	**(55.15)**	**204.29**	**658.25**
Loss allowance for trade receivables	**10.47**	**-**	**-**	**10.47**
Loss allowance for other assets	**0.45**	**-**	**-**	**0.45**
Others	**22.51**	**24.37**	**-**	**46.88**
	817.71	**(65.60)**	**204.29**	**956.40**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**(7,701.85)**	**1,317.95**	**-**	**(6,383.90)**
Others	**(178.07)**	**(90.73)**	**-**	**(268.80)**
	(7,879.92)	**1,227.22**	**-**	**(6,652.70)**
Total	**(7,062.21)**	**1,161.62**	**204.29**	**(5,696.30)**

F. Availability of MAT Credit is upto:

	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Financial year	**Amount**	Amount
2024-25	**-**	313.82
2027-28	**0.12**	289.92
2028-29	**443.32**	993.71
2029-30	**298.77**	298.77
2030-31	**851.08**	851.08
2032-33	**996.93**	996.93
2033-34	**623.00**	623.00
	3,213.22	4,367.23

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 2A (O)).

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 2A(o) above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Segment revenue and expenses are, generally, directly attributable to the segments. Joint revenue and expenses of segments are allocated amongst them on a reasonable basis.

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes and borrowings. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Segment revenue										
- External revenues	**1,15,972.37**	1,02,105.03	**32,892.63**	31,836.25	**38,176.62**	33,644.21	**-**	-	**1,87,041.62**	1,67,585.49
- Inter segment revenue	**-**	-	**-**	-		-	**-**	-	**-**	-
- Other operating revenue	**5,969.57**	10,345.30	**852.98**	1,065.38	**435.96**	498.73	**-**	-	**7,258.51**	11,909.41
Subtotal	**1,21,941.94**	1,12,450.33	**33,745.61**	32,901.63	**38,612.58**	34,142.94	**-**	-	**1,94,300.13**	1,79,494.90
- Other income	**322.09**	75.39	**564.94**	840.80	**114.19**	285.41	**(2.40)**	(2.84)	**998.83**	1,198.76
- Unallocable income									**721.03**	1,194.30
Total segment revenue	**1,22,264.03**	1,12,525.72	**34,310.55**	33,742.43	**38,726.77**	34,428.35	**(2.40)**	(2.84)	**1,96,019.99**	1,81,887.96
Segment results	**7,637.63**	9,101.89	**3,066.42**	3,299.40	**6,662.36**	4,399.13	**-**	-	**17,366.41**	16,800.42
Unallocated expenses (net of unallocated income)									**3,315.82**	2,641.24
Operating profit									**14,050.59**	14,159.18
Finance costs									**3,973.88**	4,454.09
Profit before share of profit of equity accounted investees and tax									**10,076.71**	9,705.09
Share of profit of equity accounted investees (net of tax)									**(215.23)**	6.02
Profit before tax									**9,861.48**	9,711.11
Current tax expense									**2,950.20**	2,344.68
Deferred tax (credit)/ charge									**435.64**	(2,222.50)
Net profit after tax									**6,475.64**	9,588.93
Capital expenditure during the year	**1,944.23**	3,463.56	**1,443.02**	3,757.90	**2,228.15**	561.60	**-**	-	**5,615.40**	7,783.06
Unallocated capital expenditure during the year									**283.62**	314.48
Total capital expenditure during the year									**5,899.02**	8,097.54
Depreciation	**893.37**	868.91	**937.75**	986.63	**500.30**	451.15	**-**	-	**2,331.42**	2,306.69
Unallocated depreciation during the year									**585.04**	454.26
Total depreciation during the year									**2,916.46**	2,760.95
Non cash expense other than depreciation	**2.19**	91.25	**25.75**	71.98	**24.33**	19.64	**-**	-	**52.27**	182.87
Unallocated non cash expense other than depreciation during the year									**2.42**	-
Total non cash expense other than depreciation during the year									**54.69**	182.87

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Segment assets	**95,475.24**	93,337.36	**36,655.70**	35,583.77	**19,966.17**	18,064.49	**-**	-	**1,52,097.11**	1,46,985.62
Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**15,981.96**	13,912.69
Total assets	**95,475.24**	93,337.36	**36,655.70**	34,973.83	**19,966.17**	18,057.96	**-**	-	**1,68,079.07**	1,60,898.31
Segment liabilities	**35,143.82**	25,853.96	**9,835.41**	10,003.99	**5,804.54**	4,620.97	**-**	-	**50,783.77**	40,478.92
Share capital and reserves	**-**	-	**-**	-	**-**	-	**-**	-	**61,687.47**	55,953.69
Unallocated liabilities										
- Borrowings	**-**	-	**-**	-	**-**	-	**-**	-	**48,714.40**	58,969.41
- Others	**-**	-	**-**	-	**-**	-	**-**	-	**6,893.43**	5,496.29
Total liabilities	**35,143.82**	25,853.96	**9,835.41**	10,003.99	**5,804.54**	4,620.97	**-**	-	**1,68,079.07**	1,60,898.31
Capital employed	**60,331.42**	67,483.40	**26,820.29**	25,579.78	**14,161.63**	13,443.52	**-**	-	**1,01,313.34**	1,06,506.70

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

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
i	**Revenues**		
	Total revenue for reportable segments	**1,95,301.36**	1,80,696.50
	Unallocated amounts:		
	Revenue for other segments	**721.03**	1,194.30
	Inter-segment elimination	**(2.40)**	(2.84)
	Total revenue	**1,96,019.99**	1,81,887.96

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
ii	**Profit before tax**		
	Total profit before tax for reportable segments	**17,366.41**	16,800.42
	Unallocated cost:		
	Finance costs	**(3,973.88)**	(4,454.09)
	Other unallocated amounts	**(3,315.82)**	(2,641.24)
	Profit before tax as per statement of profit and loss	**10,076.71**	9,705.09

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
iii	**Assets**		
	Total assets for reportable segments	**1,52,097.11**	1,46,985.62
	Unallocated amounts:		
	Investments	**6,079.12**	2,686.31
	Corporate assets	**9,902.84**	11,226.38
	Total assets as per the balance sheet	**1,68,079.07**	1,60,898.31

		For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
iv	**Liabilities**		
	Total liabilities for reportable segments	**50,783.77**	40,478.92
	Unallocated amounts:		
	Share capital	**1,739.84**	1,739.84
	Reserves and Surplus	**59,947.63**	54,213.86
	Unallocated corporate liabilities	**55,607.83**	64,465.69
	Total liabilities as per the balance sheet	**1,68,079.07**	1,60,898.31

D. Geographical information

The geographical information analyses the Group's revenues and assets by the Group'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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
i	**Revenues**		
	(a) India	**1,55,608.00**	1,41,640.09
	(b) Other countries		
	Europe	**12,797.44**	11,171.23
	China	**12,414.41**	11,271.17
	Rest of the World	**15,202.54**	17,808.31
	Total (b)	**40,414.39**	40,250.71
	(c) Inter-segment elimination	**(2.40)**	(2.84)
	Total (a+b+c)	**1,96,019.99**	1,81,887.96

	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
ii Assets		
(a) India	**1,57,281.01**	1,50,294.79
(b) Other countries		
Europe	**2,993.04**	2,918.83
China	**3,363.91**	3,581.05
Rest of the World	**4,441.11**	4,103.64
Total (b)	**10,798.06**	10,603.52
Total (a+b)	**1,68,079.07**	1,60,898.31

E. Major customer

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

41. Leases

The details of the right-of-use asset held by the Company is as follows:

(Rs.Lakhs)

Particulars	Opening as on April 01, 2020	Additions for the year ended March 31, 2021	Deletions for the year ended March 31, 2021	Depreciation during the year	Net Carrying amount as at March 31, 2021
Building	2,499.22	201.42	171.19	527.87	2,001.58
	2,499.22	**201.42**	**171.19**	**527.87**	**2,001.58**

Particulars	Opening as on April 01, 2019	Additions for the year ended March 31, 2020	Deletions for the year ended March 31, 2020	Depreciation during the year	Net Carrying amount as at March 31, 2020
Building	646.73	2,297.31	-	444.82	2,499.22
	646.73	**2,297.31**	**-**	**444.82**	**2,499.22**

The Group incurred Rs.133.08 Lakhs for the year ended March 31, 2021 (March 31, 2020: Rs.238.39 lakhs) towards expenses relating to short-term leases and leases of low-value assets.

The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The reconciliation of lease liabilities is as follows:

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Opening balance	**2,568.94**	646.73
Additions	**159.52**	2,297.31
Deletions	**(171.73)**	-
Amount recognised in statement of profit and loss as interest expense	**204.10**	152.27
Payment of lease liability	**(587.69)**	(527.37)
Closing balance	**2,173.14**	2,568.94

The following table presents a maturity analysis of expected cash flows for lease liabilities:

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Within one year	**399.15**	414.40
Within one-five years	**1,631.98**	1,776.31
Above five years	**142.01**	378.23
Closing balance	**2,173.14**	2,568.94

42. Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities*

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Income tax matters	**4,356.09**	4,356.09
Excise and Service tax matters	**39.20**	68.15
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**925.00**	750.17
Sales tax matters	**55.06**	55.06
Sugarcane related matters	**4,545.26**	4,545.26
Share in contingent liabilities of associate company	**196.79**	194.65
Total	**10,117.40**	10,953.87

* 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.

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.5,265.85 lakhs (March 31, 2020: Rs. 896.83 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 March 31, 2021	For the year ended March 31, 2020
Profit/ (loss) after tax attributable to equity shareholders	**Rs. Lakhs**	**6,475.64**	9,588.93
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.**	**37.22**	55.11

45. Employee benefits

A. Defined Contribution plans

Rs. 127.13 lakhs (March 31, 2020: Rs. 299.11 lakhs) for provident fund contribution and Rs.174.36 lakhs (March 31, 2020: Rs. 185.85 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 March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Net Gratuity liability / (asset)	**(189.57)**	436.52
Non current	**(189.57)**	436.52
Current	**-**	-
	(189.57)	436.52

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**3,991.92**	3,855.14
Current service cost	**260.63**	235.54
Interest cost	**271.45**	295.73
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**-**	99.63
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**224.89**	97.51
Benefits paid	**(662.16)**	(591.63)
Balance at the end of the year	**4,086.73**	3,991.92

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**3,555.40**	3,658.56
Expected return on plan assets	**241.76**	279.88
Contribution by the Holding Company	**14.40**	12.26
Benefits paid	**(28.52)**	(136.81)
Actuarial gains / (losses) recognised in other comprehensive income	**493.26**	(258.49)
Balance at the end of the year	**4,276.30**	3,555.40

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Current service cost	**260.63**	235.54
Interest cost	**271.45**	295.73
Expected return on plan assets	**(241.76)**	(279.88)
Actuarial (gains) / losses recognised in other comprehensive income	**(268.37)**	455.62
	21.95	707.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

(iv) Constitution of plan assets

Particulars	**For the year ended March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with Life Insurance Corporation of India*	**4,276.30**	3,555.40

* 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 March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Actuarial (gain) / loss on plan assets	**493.26**	(258.49)
Actuarial (gain) / loss arising from changes in financials assumptions	**-**	(99.63)
Actuarial (gain) / loss arising from changes in experience adjustments	**(224.89)**	(97.51)

(vi) Actuarial assumptions

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

Particulars	**As at March 31, 2021**	As at March 31, 2020
Financial assumptions		
Discount rate	**6.80%**	6.80%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**6.80%**	7.65%
Expected average remaining working lives of employees (years)	**17.31**	16.85
Demographic assumptions		
Mortality rate	**IALM (2012-14)**	IALM (2012-14)
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, 2022 are Rs. 219.75 lakhs (March 31, 2021: Rs. 291.13 lakhs).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance the liabilities of the gratuity plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

(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 March 31, 2021 Rs. lakhs**		For the year ended March 31, 2020 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(127.42)**	**136.34**	(405.88)	106.24
Future salary growth (0.50%)	**138.08**	**(130.13)**	109.11	(416.84)

Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does not 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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Within 1 year	**629.47**	704.33
1 year to 5 years	**1,505.47**	1,659.85
More than 5 years	**1,951.79**	1,627.74

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Group as at 31 March 2021 works out to Rs.1,174.72 lakhs (31 March 2020: Rs. 1,347.06 lakhs).

D. Provident fund:

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Holding Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Holding Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

The following table sets out the status of Provident Fund obligation

Particulars	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Net Provident Fund liability / (asset)	**201.78**	129.01
Advance to provident fund trust	**196.38**	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

(i) Reconciliation of the provident fund liability

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

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**15,037.85**	14,315.69
Current service cost	**371.03**	370.67
Contribution by plan participants / employees	**1,129.88**	1,030.52
Interest cost	**1,187.44**	1,162.02
Actuarial (Gain) / Loss on arising from changes in demographic assumptions	**-**	(0.03)
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**-**	5.27
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**(24.30)**	(3.96)
Benefits paid	**(3,662.96)**	(1,842.33)
Balance at the end of the year	**14,038.94**	15,037.85

(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 March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**14,908.84**	14,288.95
Expected return on plan assets	**1,185.39**	1,159.97
Contribution by the Company	**371.03**	370.67
Contribution by plan participants / employees	**1,129.88**	1,030.52
Benefits paid	**(3,662.95)**	(1,842.33)
Actuarial gains / (losses) recognised in other comprehensive income*	**(95.03)**	(237.44)
Shortfall funded by the Company	**-**	138.49
Balance at the end of the year	**13,837.16**	14,908.84

* Includes Rs. 98.30 lakhs (March 31, 2020: Rs.100.15 lakhs) on account of provision of write down of investments.

(iii) Expense recognized in profit or loss

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
Current service cost	**371.03**	370.67
Interest cost	**2.05**	2.05
Net cost	**373.08**	372.72

(iv) Remeasurements recognized in other comprehensive income

Particulars	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
(Loss) recognised in other comprehensive income	**(70.73)**	(128.99)

(v) Actuarial assumptions

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

Particulars	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Financial assumptions		
Discount rate	**6.80%**	6.80%
Expected statutory interest rate	**8.50%**	8.50%
Demographic assumptions		
Mortality rate	**IALM (2012-14)**	IALM (2012-14)
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

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(vi) 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 March 31, 2021 Rs. lakhs**		For the year ended March 31, 2020 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(4.86)**	**5.11**	(4.32)	4.60

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

Sensitivities due to mortality & withdrawals are insignificant & hence not considered in sensitivity analysis disclosed.

E. 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.

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 (upto 30.06.2019)
Mr. Alok B. Shriram, Senior Managing Director (w.e.f. 13.08.2019)
Mr. Madhav B. Shriram, Managing Director
Mrs. Urvashi Tilak Dhar, Director (w.e.f. 13.08.2019)
Mr. N. K.Jain, Director & CFO (Director w.e.f. 01.11.2019)
Mr. P. R. Khanna, Independent Director
Mr. Ravinder Narain, Independent Director
Mr. S. C. Kumar, Independent Director
Mr. C. Vikas Rao, Nominee Director (upto 30.09.2020)
Ms. V. Kavitha Dutt, Independent Director
Mr. Sanjay C. Kirloskar, Independent Director
Mr. K.N.Rao Director & CEO Rayons (upto 31.10.2019)
Mr. Y. D. Gupta, Vice President & Company Secretary
Mr. Mukesh Gupta, Nominee Director (w.e.f. 01.10.2020)
Mr. Manoj Kumar, Non-executive Director (w.e.f. 27.06.2020)

Relatives/HUF of key management personnel

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)
M/s. Lala Bansi Dhar & Sons- HUF
Mrs. Suman Bansi Dhar
Mrs. Divya Shriram
Mrs. Karuna Shriram
Ms. Aditi Dhar
Mrs. Manju Narain
Mr. Rohit Gupta

Trusts

Employees' Provident Fund Trust, DCM Shriram Industries Limited
Daurala Organics Limited Employees' Provident Fund Trust
DCM Shriram Industries Limited Superannuation Trust
DCM Shriram Industries Limited Employees' Gratuity Fund

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
Kirloskar Corrocoat Private Limited
Lily Commercial Private Limited
Hi-Vac Wares Private Limited

B. Transactions with related parties:

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel	**196.73**	188.39
Bantam Enterprises Private Limited	**34.55**	33.04
H.R. Travels Private Limited	**9.18**	7.91
Others	**0.75**	-
Total	**241.21**	229.34
Interest expense		
Key management personnel	**10.74**	-
Relatives of Key management personnel	**19.06**	20.59
Independent Directors & their relatives/HUF	**3.75**	3.78
Total	**33.55**	24.37
Other expenses		
Hindustan Vaccum Glass Private Limited	**83.95**	-
Kirloskar Corrocoat Private Limited	**11.76**	-
Others	**1.08**	-
Total	**96.79**	-
Purchase of property, plant and equipment		
Hindustan Vaccum Glass Private Limited	**277.58**	4.22
Equity dividend paid		
Associate	**-**	245.18
Key management personnel	**1.66**	2.53
Relatives/HUF of key management personnel	**6.00**	13.24
Bantam Enterprises Private Limited	**67.85**	149.27
Lily Commercial Private Limited	**154.49**	328.00
H.R. Travels Private Limited	**32.13**	70.68
Hi-Vac Wares Private Limited	**39.66**	87.25
	301.79	896.15
Public deposits received		
Key management personnel	**74.76**	100.00
Security deposit paid		
Relatives/HUF of key management personnel	**-**	1.17
Public Deposits paid		
Relatives of Key Management Personnel	**44.76**	-
Compensation of key management personnel		
Salaries and bonus including contributions made to provident fund		
Mr. Tilak Dhar	**-**	76.11
Mr. Alok B.Shriram	**329.27**	306.11
Mr. Madhav B.Shriram	**329.42**	306.11
Mrs. Urvashi Tilak Dhar	**273.51**	161.70
Mr. K.N. Rao	**-**	43.28
Mr. N. K. Jain	**56.83**	50.33
Mr. Y. D. Gupta	**30.10**	29.93
Relatives of key management personnel	**116.32**	90.31
Total	**1,135.45**	1,063.88

continued on next page

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Post-employment defined benefit plan		
Gratuity		
Mr. Alok B.Shriram	**5.88**	6.56
Mr. Madhav B.Shriram	**5.78**	6.45
Mrs. Urvashi Tilak Dhar	**3.13**	3.08
Mr. N.K. Jain	**2.00**	4.32
Mr. Y.D. Gupta	**3.66**	8.24
Mr. K.N. Rao	**-**	4.89
Relatives of key management personnel	**16.79**	2.45
Total	**37.24**	35.99
Other long term defined benefit plan		
Compensated absences		
Mr. Alok B.Shriram	**7.43**	10.86
Mr. Madhav B.Shriram	**6.58**	8.75
Mrs. Urvashi Tilak Dhar	**6.78**	4.53
Mr. N.K. Jain	**1.13**	1.62
Mr. Y.D. Gupta	**(1.74)**	1.84
Mr. K.N. Rao	**-**	1.25
Relatives of key management personnel	**16.42**	3.47
Total	**36.60**	32.32
Commission to Independent Directors		
Mr. P. R. Khanna	**15.86**	16.29
Mr. S. B. Mathur	**16.85**	17.29
Mr. Ravinder Narain	**13.91**	14.29
Mr. S. C. Kumar	**15.87**	16.29
Mr C Vikas Rao	**-**	11.29
Mrs. V. Kavitha Dutt	**14.88**	13.29
Mr. Sanjay C. Kirloskar	**12.92**	13.30
Mr. Mukesh Gupta	**10.96**	-
Mr. Manoj Kumar	**11.46**	-
Total	**112.71**	102.04
Total compensation paid to key management personnel	**1,322.00**	1,234.23
Post-employment Defined benefit plan		
Contribution paid to provident fund		
Trusts	**1,500.91**	1,353.88
Gratuity		
Trust	**14.40**	12.26
Other long term Defined contribution plan		
Superannuation		
Trust	**174.35**	185.85

Balances with related parties

Particulars	For the year ended March 31, 2021 Rs. lakhs	For the year ended March 31, 2020 Rs. lakhs
Security deposit receivable		
Relatives/HUF of key management personnel	**28.32**	49.71
Bantam Enterprises Private Limited	**5.31**	-
Total	**33.63**	49.71
Advance to contractors		
Hindustan Vaccum Glass Private Limited	**-**	22.13
Kirloskar Corrocoat Private Limited	**-**	5.67
Total	**-**	27.80
Other advances		
Employees' Provident Fund Trust, DCM Shriram Industries Limited	**196.38**	-
Capital advances		
Hindustan Vaccum Glass Private Limited	**7.47**	-
Payables		
Public deposits including interest accrued		
Relatives/HUF of key management personnel	**311.85**	274.34
Independent Directors & their relatives	**37.50**	37.50
Total	**349.35**	311.84
Provisions		
Daurala Organics Limited Employees' Provident Fund Trust	**201.78**	129.01
Trade payables		
Hindustan Vaccum Glass Private Limited	**23.54**	1.59
Kirloskar Corrocoat Private Limited	**1.80**	-
Sitting fees to Indepdendent Directors	**4.63**	-
Commission to Independent Directors	**112.71**	102.04
Remuneration to key management personnel	**568.95**	469.99
Total	**711.63**	573.62

Note:
Transactions with the related parties are made on normal commercial terms and conditions and at market rates, to be settled in cash.

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, 2020 (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*	-	-	532.74	**532.74**	-	-	-
(ii) Other financial assets*	-	-	445.56	**445.56**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	1,161.03	-	-	**1,161.03**	1,161.03	-	-
(ii) Trade receivables*	-	-	18,457.16	**18,457.16**	-	-	-
(iii) Cash and cash equivalents*	-	-	4,362.68	**4,362.68**	-	-	-
(iv) Other bank balances*	-	-	1,326.98	**1,326.98**	-	-	-
(v) Loans*	-	-	222.98	**222.98**	-	-	-
(vi) Other financial assets*	-	-	13,390.97	**13,390.97**	-	-	-
Total	**1,161.03**	**-**	**38,739.07**	**39,900.10**			

continued on next page

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	23,560.39	**23,560.39**	-	-	23,560.39
(ii) Lease liabilities*	-	-	2,154.54	**2,154.54**	-	-	-
(iii) Other financial liabilities*	-	-	87.79	**87.79**	-	-	-
Current							
(i) Borrowings#	-	-	35,212.30	**35,212.30**	-	-	-
(ii) Lease liabilities*	-	-	414.40	**414.40**	-	-	-
(iii) Trade payables*	-	-	27,373.23	**27,373.23**	-	-	-
(iv) Other financial liabilities*	-	-	1,732.63	**1,732.63**	-	-	-
Total	-	-	**90,535.28**	**90,535.28**			

(ii) As on March 31, 2021 (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*	-	-	501.82	**501.82**	-	-	-
(ii) Other financial assets*	-	-	123.59	**123.59**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	4,769.58	-	-	**4,769.58**	4,769.58	-	-
(ii) Trade receivables*	-	-	19,676.06	**19,676.06**	-	-	-
(iii) Cash and cash equivalents*	-	-	2,004.87	**2,004.87**	-	-	-
(iv) Other bank balances*	-	-	2,393.95	**2,393.95**	-	-	-
(v) Loans*	-	-	54.32	**54.32**	-	-	-
(vi) Other financial assets*	58.88	-	13,303.62	**13,362.50**	-	-	-
Total	**4,828.46**	-	**38,058.23**	**42,886.69**			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	18,733.65	**18,733.65**	-	-	18,733.65
(ii) Lease liabilities*	-	-	1,773.99	**1,773.99**	-	-	-
(iii) Other financial liabilities*	-	-	101.62	**101.62**	-	-	-
Current							
(i) Borrowings#	-	-	29,861.20	**29,861.20**	-	-	-
(ii) Lease liabilities*	-	-	399.15	**399.15**	-	-	-
(iii) Trade payables*	-	-	34,191.37	**34,191.37**	-	-	-
(iv) Other financial liabilities*	-	-	2,423.81	**2,423.81**	-	-	-
Total	-	-	**87,484.79**	**87,484.79**			

\# 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 fair value of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instuments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

* The carrying amounts of trade receivables, trade payables, lease liabilites, 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), lease liabilities 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, 2021 and March 31, 2020.

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) The fair value of all derivate contracts is determined using forward exchange rate at the balance sheet.

Risk Management

The Group manages risk arising from financial instruments as under:

b. Financial risk management (continued)

(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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Investments	**4,769.58**	1,161.03
Trade receivables	**19,676.06**	18,457.16
Cash and cash equivalents	**2,004.87**	4,362.68
Other bank balances	**2,393.95**	1,326.98
Loans	**556.14**	755.73
Other financial assets	**13,486.09**	13,836.54

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:

Particulars	**Gross carrying amount**	
	As at March 31, 2021 Rs. lakhs	As at March 31, 2020 Rs. lakhs
1-90 days past due *	**2,148.91**	2,286.69
91 to 180 days past due	**43.01**	551.86
More than 180 days past due #	**9.05**	27.78
Not due	**17,475.09**	15,590.83
	19,676.06	18,457.16

* The Group believes that the unimpaired amounts are 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 March 31, 2021 Rs. lakhs**	For the year ended March 31, 2020 Rs. lakhs
Balance at the beginning of the year	**29.97**	29.97
Impairment loss recognised / (reversed)	**(5.10)**	-
Amount written off	**-**	-
Balance at the end of the year	**24.87**	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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

b. Financial risk management (continued)

(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.4,398.82 lakhs as at March 31, 2021 (March 31, 2020 Rs. 5,689.66 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. Financial arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
From banks	**14,350.88**	10,713.69

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, 2020	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*	17,782.29	-	17,584.49	197.80	17,782.29
Lease liabilities*	2,154.54	-	1,776.31	378.23	2,154.54
Other financial liabilities	87.79	-	87.79	-	87.79
Current liabilities					
Borrowings	35,212.30	35,212.30	-	-	35,212.30
Lease liabilities	414.40	414.40	-	-	414.40
Trade payables	27,373.23	27,373.23	-	-	27,373.23
Other financial liabilities	7,510.73	7,510.73	-	-	7,510.73
Total	**90,535.28**	**70,510.66**	**19,448.59**	**576.03**	**90,535.28**

(Rs. lakhs)

As at March 31, 2021	Carrying amount	Contractual cash flows			
		0-1 year	1-5 years	More than 5 years	Total
Non-current liabilities					
Borrowings*	11,507.11	-	11,358.76	148.35	11,507.11
Lease liabilities*	1,773.99	-	1,631.98	142.01	1,773.99
Other financial liabilities	101.62	-	101.62	-	101.62
Current liabilities					
Borrowings	29,861.20	29,861.20	-	-	29,861.20
Lease liabilities	399.15	399.15	-	-	399.15
Trade payables	34,191.37	34,191.37	-	-	34,191.37
Other financial liabilities	9,650.35	9,650.35	-	-	9,650.35
Total	**87,484.79**	**74,102.07**	**13,092.36**	**290.36**	**87,484.79**

* Contractual cash flows do not include interest expense.

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 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, 2021 and March 31, 2020.

(Rs. Lakhs)

Particulars	As at March 31, 2021		
	USD	EURO	GBP
Financial assets			
Trade receivables*	1,186.40	1,507.81	-
Advance to contractors	21.97	114.29	10.13
	1,208.37	**1,622.10**	**10.13**
Financial liabilities			
Borrowings	1,705.26	87.15	**-**
Trade payables	6,378.18	423.47	3.80
	8,083.44	**510.62**	**3.80**

(Rs. Lakhs)

Particulars	As at March 31, 2020		
	USD	EURO	GBP
Financial assets			
Trade receivables*	7,657.76	943.87	-
Advance to contractors	15.26	5.06	-
Cash and cash equivalents	0.16	-	-
Financial liabilities	**7,673.18**	**948.93**	**-**
Borrowings	271.38	251.82	**-**
Trade payables	5,560.08	506.86	0.82
	5,831.46	**758.68**	**0.82**

* Trade receivables are net of corresponding foreign exchange contracts.

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2021 (previous year ended as on March 31, 2020) 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, 2021				
USD	(68.75)	68.75	(44.73)	44.73
EUR	11.11	(11.11)	7.23	(7.23)
GBP	0.06	(0.06)	0.04	(0.04)
	(57.58)	**57.58**	**(37.46)**	**37.46**
For the year ended March 31, 2020				
USD	18.42	(18.42)	11.98	(11.98)
EUR	1.90	(1.90)	1.24	(1.24)
GBP	(0.01)	0.01	(0.01)	0.01
	20.31	**(20.31)**	**13.21**	**(13.21)**

USD: United States Dollar, EUR: Euro, GBP: Great British Pound.

b. Financial risk management (continued)

III. Market risk

Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 24 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors. The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit risk quality yield curves in the respective currency.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

					Maturity			
Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Upto 12 months Nominal amount (in lakhs)		More than 12 months Nominal amount (in lakhs)	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
USD/INR Sell Forward	**82**	21	**111.72**	23.00	**8,293.30**	1,689.74	**-**	-
EUR/INR Sell Forward	**4**	3	**5.95**	3.00	**512.18**	253.54	**-**	-
EUR/USD Sell Forward	**3**	-	**4.77**	-	**407.49**	-	**-**	-
USD/INR Buy Forward	**3**	-	**4.21**	-	**308.18**	-	**-**	-

Impact of depreciation / appreciation in INR against USD/EUR in respect of forward contracts is not material.

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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**2,393.95**	1,326.98
Loans	**556.14**	755.74
Other Financial assets	**13,486.09**	13,836.55
Total	**16,436.18**	15,919.27
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**9,136.74**	13,202.80
Public Deposits	**783.37**	618.31
Variable-rate instruments		
Term loans	**8,813.54**	9,739.28
Cash Credit	**29,861.20**	35,212.30
Total	**48,594.85**	58,772.69

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, 2021				
Interest on term loans	(96.40)	96.40	(62.71)	62.71
Interest on cash credits	(243.71)	243.71	(158.55)	158.55
For the year ended March 31, 2020				
Interest on term loans	(72.17)	72.17	(46.95)	46.95
Interest on cash credits	(350.86)	350.86	(228.26)	228.26

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 March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Borrowings	**48,594.85**	58,772.69
Less : Cash and cash equivalent	**(2,004.87)**	(4,362.68)
Adjusted net debt (A)	**46,589.98**	54,410.01
Total equity (B)	**61,687.47**	55,953.69
Adjusted net debt to adjusted equity ratio (A/B)	**75.53%**	**97.24%**

49. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiary company

The Group’s subsidiary at 31 March 2021 is set out below. The subsidiary has 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, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	
Daurala Foods and Beverages Private Limited	India	**100.00**	100.00	**-**	-	The entity deploys its surplus funds in permitted securities such as short term funds of mutual funds, bank deposits etc.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

(b) Summarised financial information for associate company

(Rs.lakhs)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Principal activities
		As at March 31, 2021	As at March 31, 2020	
DCM Hyundai Limited	India	**49.28**	49.28	The entity is primarily engaged in trading and promotion of fabricated engineering products and leasing of Machinery & Equipments, providing Technical Know-how, Marketing assistance and other services in relation thereto.

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 company and not the Group's share of those amounts.

(i) Summarised balance sheet

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2021	As at March 31, 2020
Current assets		
Cash and cash equivalents	**24.66**	937.57
Other assets	**2,685.17**	1,236.93
Total current assets	**2,709.83**	2,174.50
Total non-current assets	**382.82**	1,070.58
Current liabilities		
Financial liabilities	**331.58**	17.02
Other liabilities	**39.20**	68.99
Total current liabilities	**370.78**	86.01
Non-current liabilities		
Other liabilities	**1.81**	1.20
Total non-current liabilities	**1.81**	1.20
Net assets	**2,720.06**	3,157.87

(ii) Reconciliation to carrying amounts

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2021	As at March 31, 2020
Opening net assets	**3,157.87**	4,718.24
Profit for the year	**(436.75)**	12.22
Other comprehensive income	**(1.05)**	(1,572.59)
Closing net assets	**2,720.07**	3,157.87
Group's share in %	**49.28%**	49.28%
Group's share in INR	**1,340.50**	1,556.25
Consolidation adjustments	**(30.96)**	(30.97)
Carrying amount	**1,309.54**	1,525.28

(iii) Summarised statement of profit and loss

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	**185.96**	101.31
Other income	**117.39**	100.24
Depreciation and amortisation	**30.56**	51.25
Interest expense	**-**	-
Income tax expense	**535.08**	(21.88)
Profit for the year	**(436.75)**	12.22
Other comprehensive income	**(1.05)**	(1,572.59)
Total comprehensive income	**(437.80)**	(1,560.37)
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 comprehen-sive income	Amount
Parent								
DCM Shriram Industries Limited								
31 March 2021	**95.89%**	**59,987.00**	**102.45%**	**6,588.88**	**100.41%**	**128.58**	**102.41%**	**6,717.46**
31 March 2020	95.21%	54,139.46	99.30%	9,595.64	32.92%	(380.33)	108.31%	9,215.31
Subsidiary								
Daurala Foods & Beverages Private Limited								
31 March 2021	**2.01%**	**1,259.08**	**0.90%**	**57.73**	**0.00%**	**-**	**0.88%**	**57.73**
31 March 2020	2.11%	1,201.34	0.64%	61.65	0.00%	-	0.72%	61.65
Associate								
DCM Hyundai Limited								
31 March 2021	**2.09%**	**1,309.54**	**-3.35%**	**(215.23)**	**-0.41%**	**(0.52)**	**(3.29%)**	**(215.75)**
31 March 2020	2.68%	1,525.28	0.06%	6.02	67.08%	(774.97)	(9.04%)	(768.95)
Total								
31 March 2021	**100.00%**	**62,555.62**	**100.00%**	**6,431.38**	**100.00%**	**128.06**	**100.00%**	**6,559.44**
31 March 2020	100.00%	56,866.08	100.00%	9,663.32	100.00%	(1,155.30)	100.00%	8,508.01
Adjustment due to consolidation								
31 March 2021		**868.15**		**(44.26)**		**-**		**(44.26)**
31 March 2020		912.39		74.39		-		74.38
Consolidation Net Asset / Profit after Tax								
31 March 2021		**61,687.47**		**6,475.64**		**128.06**		**6,603.70**
31 March 2020		55,953.69		9,588.93		(1,155.30)		8,433.63

51. Research and development expenses amounting to Rs. 349.18 lakhs (March 31, 2020: Rs. 549.23 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 87.91lakhs (March 31, 2020: Rs. 47.04 lakhs) has been included in property, plant and equipment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (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, 2021	For the year ended March 31, 2020
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal Amount	**777.77**	397.88
- Interest due thereon	**-**	-
(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	Income/ expense head	For the year ended March 31, 2021 (Rs.lakhs)	For the year ended March 31, 2020 (Rs.lakhs)
Subvention on loan interest	Other income	**146.15**	677.64
Interest subsidy in respect of loan at concessional rate	Other income	**309.54**	285.84
Grant for payment of cane dues subject to fulfilment of sugar export obligation and other conditions	Other operating revenue	**5,359.68**	9,321.56
Duty drawback and other incentive	Other operating revenue	**944.40**	1,282.30
Subsidy against maintenance of buffer stock	Miscellaneous expense	**73.61**	100.07
Subsidy against maintainence of buffer stock	Interest expense	**451.96**	604.90

54. Immovable properties yet to be endorsed in the name of Group are as under :

(Rs.lakhs)

Particulars	Amount as on March 31, 2021	Amount as on March 31, 2020	Remarks
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	**844.04 ***	844.04 *	Vested in the Holding Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited
Land situated at Daurala, UP	**44.95**	44.95	The title deeds are in the name of Daurala Organics Limited which was merged with the Holding 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.

55. Consequent to introduction of GST with effect from July 1, 2017, there has been ambiguity with regard to chargeability of indirect tax, i.e. UP VAT or GST or any other tax, on certain supplies made to a party and, therefore, no tax has been charged on invoices raised for such supplies. The buyer has provided an undertaking to indemnify the Company for any tax, along with interest, penalty (if levied) or any other related expenses, as may be finally incurred in this regard.

State VAT Authorities had completed ex-parte assessments for the nine months ended March 31,2018 and year ended March 31,2019 and raised demands amounting to Rs 8,085.02 lakhs. The Holding Company filed appeals against such demands and through an order by the appellate authorities, such demands have been set aside in the current year and therefore presently there is no outstanding demand in respect of these period.

Further, during the current year, the Holding Company has received demand orders amounting to Rs 6,911.32 lakhs for the year ended March 31, 2020 and seven months period ended October 31, 2020, against which, the Holding Company has filed appeals to the appellate authority and such demand orders have been stayed.

The Holding Company has also deposited an amount of Rs. 3,000 lakhs as duty under protest in respect of the aforesaid VAT matters.

Pending clarity on imposition of VAT or GST on such supplies, the Holding Company has recognized a provision for contingencies under "Provisions (current)" of Rs. 10,572.51 lakhs (net of amount paid under protest of Rs.3,000.00 lakhs) as at March 31, 2021 (Rs 9,427.42 lakhs as at March 31, 2020). Basis the undertaking from the buyer, the Holding Company has recognized reimbursement assets amounting to Rs.9,972.17 lakhs (net of amount already received of Rs 3,600.34 lakhs) as at March 31, 2021 (Rs. 6,987.08 lakhs as at March 31, 2020) under "Other financial assets (current)".

56. Assets charged as security

The carrying amount of assets charged as security for current and non-current borrowings are as under:

Particulars	**Note**	**As at March 31, 2021 Rs. lakhs**	As at March 31, 2020 Rs. lakhs
Current Assets			
Inventories	11	**66,031.96**	66,274.39
Investments	12	**4,769.58**	1,161.03
Trade Receivables	13	**19,676.06**	18,457.16
Cash And Cash Equivalents	14	**1,985.90**	4,357.85
Other Bank Balances	15	**955.25**	138.91
Loans	16	**54.32**	47.99
Other Financial Assets	17	**3,363.90**	6,360.57
Other Current Assets	18	**3,429.14**	2,398.07
Total (I)		**1,00,266.11**	99,195.97
Non-Current Asset			
Property, Plant And Equipment	3	**47,463.88**	43,039.64
Capital Work-In Progress	3	**2,353.41**	3,423.63
Intangible Assets	4	**98.55**	112.76
Intangible Assets Under Development	4	**60.97**	-
Loans	7	**501.82**	532.74
Other Financial Assets	8	**123.59**	445.56
Income-Tax Assets (Net)	9	**1,728.25**	1,599.70
Other Non-Current Assets	10	**755.90**	165.89
Total (II)		**53,086.37**	49,319.92
Grand Total (I&II)		**1,53,352.48**	1,48,515.89

Notes to the Consolidated Financial Statements for the year ended March 31, 2021 (continued)

57. The Board of Directors, at their meeting held on June 29,2021, approved the proposal for the sub-division of equity shares of the Holding Company from existing face value of Rs. 10 each to face value of Rs. 2 each (i.e. split of 1 equity share of Rs. 10 each into 5 equity shares of Rs. 2 each), subject to approval of the shareholders in the ensuing Annual General Meeting of the Holding Company and other regulatory approvals.

58. In preparation of the financial statements for the year ended March 31, 2021, the Group has taken into account the possible impact of Covid-19 and the related internal and external factors known to the management up to the date of approval of these financial statements. Based on its review and current indicators of future economic conditions, there is no impact on these 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 : 29.06.2021

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

N.K. Jain
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing 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	5,09,07,720
8.	Total assets	12,60,20,010
9.	Total Liabilities	12,60,20,010
10.	Investments	-
11.	Turnover	79,16,870
12.	Profit before taxation	77,90,580
13.	Provision for taxation	20,17,130
14.	Profit after taxation	57,73,450
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, 2021
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	27,20,06,959/-
7. Profit / Loss for the year	
i) Considered in Consolidation	(2,15,22,867/-)
ii) Not Considered in Consolidation	(2,21,51,781/-)

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

N.K. Jain
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 29.06.2021

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Place : New Delhi
Date : 29.06.2021