DCM SHRIRAM INDUSTRIES LTD.

DCM SHRIRAM

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

Dated: 7th July, 2022

To,	To,
BSE Ltd. Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001	National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
Scrip Code: 523369	**Scrip Code: DCMSRIND**

Sub.: Annual Report 2021-22 - "31st Annual General Meeting" of the members of the Company, "E-voting", "Book Closure" and "Record Date".

Dear Sir(s),

In compliance with Regulation 34 & 42 of SEBI (LODR) Regulations, 2015, the details regarding 31st Annual General Meeting of the Company are mentioned below:

a. **31st Annual General Meeting of the members of the Company**

The **31st Annual General Meeting ("AGM")** of the members of the Company will be held on **Monday, August 08, 2022 at 11:00 AM (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI). The Company has also fixed **Friday, July 01, 2022 as the cut-off date for determining members to whom notice of 31st AGM shall be dispatched.** Accordingly notice and annual report have been emailed to the members on 7th July, 2022.

The Company has fixed **Tuesday, the 26th July, 2022** as the **"Cut-off Date"** for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

Attached is the soft copy of the Annual Report and the AGM Notice.

b. **Remote E-voting**

The remote e-voting period for the AGM would begin on **Wednesday, 3rd August, 2022 at 9:00 A.M. (IST)** and end on **Sunday, 07th August, 2022 at 5:00 P.M. (IST).**

DCM SHRIRAM INDUSTRIES LTD. NEW DELHI

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

c. **Date of closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from **Wednesday, 27th July, 2022** to **Monday, 08th August, 2022** (both days inclusive).

d. **Record Date and Dividend payment**

The Company has fixed **Tuesday, 26th July, 2022** as the **"Record Date"** for the purpose of determining the members entitled to receive final dividend for the financial year 2021-22. The dividend, if declared at the AGM, will be paid within 30 (thirty) days from the conclusion of the AGM.

You are requested to disseminate the above intimation on your website.

Thanking you,

Yours faithfully,

DCM SHRIRAM INDUSTRIES LTD. NEW DELHI

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

Copy To:

1. **National Securities Depository Limited**
   Trade World, A wing, 4th Floor,
   Kamala Mills Compound, Lower Parel,
   Mumbai-400013.

2. **Central Depository Services (India) Limited**
   Marathon Futurex, A-Wing, 25th floor,
   NM Joshi Marg, Lower Parel (East),
   Mumbai-400013.

3. **KFIN Technologies Ltd.**
   Unit: DCM Shriram Industries Limited
   Selenium Tower B, Plot 31-32
   Financial District, Nanakramguda,
   Serilingampally, Mandal
   Hyderabad, Telangana – 500 032.

DCM SHRIRAM INDUSTRIES LTD.

Annual Report 2021-22

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
	Smt. Urvashi Tilak Dhar	Whole Time Director
	Shri Vineet Manaktala	Director Finance & CFO
	Shri P.R. Khanna	
	Shri Ravinder Narain	
	Shri S.C. Kumar	
	Smt. V. Kavitha Dutt	
	Shri Sanjay C. Kirloskar	
	Shri Manoj Kumar	
	Smt. Mini Ipe	LIC Nominee
Principal Executives	Shri V.K. Jaitly	Chief Operating Officer (Business Group Rayons)
	Shri Sanjay Rastogi	President (Business Group Sugar and works Head)
	Shri Girish Yagnik	Gr. Sr. Vice President (Works-Chemicals)
Company Secretary	Shri Y.D. Gupta	Vice President (Law & Taxation)
Bankers	State Bank of India	
	Punjab National Bank	
	HDFC Bank Ltd.	
	Axis Bank Ltd.	
	Zila Sahkari Bank Ltd. Moradabad	
	Zila Sahkari Bank Ltd., Muzaffarnagar	
	Zila Sahkari Bank Ltd., Bijnor	
	Zila Sahkari Bank Ltd., Lakhimpur-Kheri	
Auditors	B S R & Co., LLP	
	Gurugram	
Registered Office	Kanchenjunga Building,	CIN : L74899DL1989PLC035140
	5th Floor,	Tel. No. : (011) 43745000
	18, Barakhamba Road,	E-mail : dsil@dcmsr.com
	New Delhi - 110 001	Website : https://www.dcmsr.com

DCM SHRIRAM INDUSTRIES LIMITED

Regd Office: "Kanchenjunga", 5th Floor, 18, Barakhamba Road, New Delhi-110001

CIN: L74899DL1989PLC035140 Telephone :011- 43745000

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

NOTICE

The 31st Annual General Meeting of the Company will be held on Monday, the 8th August, 2022 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, 2022 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, 2022 and the Report of the Auditors thereon.

2. **To consider and declare Final Dividend of Rs. 0.50 (25%) per equity share of Rs.2 each and to confirm the Interim Dividend of Re.1 per equity share of Rs.2 each (50%) already paid during the financial year 2021-22.**

3. **Appointment of director liable to retire by rotation:**
   To appoint a director in place of Shri Manoj Kumar (DIN: 00072634), who retires by rotation and being eligible, offers himself for re-appointment.

4. **Reappointment of Statutory Auditors:**
   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 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014 including any statutory enactments and modification(s) thereof, Messrs. B S R & Co., LLP, Chartered Accountants, (Firm Registration No.101248 W/W 100022), Gurugram, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of the 31st Annual General meeting of the Company till the conclusion of the 36th Annual General Meeting to be held in the year 2027 on remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee, plus applicable taxes payable thereon and reimbursement of travelling and other incidental expenses, if any, incurred by them in connection with the audit."

Special Business:

5. **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., (Firm Regn. No.13848) for the year 2022-23, be and is hereby ratified and confirmed."

By order of the Board
For DCM SHRIRAM INDUSTRIES LIMITED

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

New Delhi,
May 30, 2022

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 Wednesday, the 27th July, 2022 to Monday, the 08th August, 2022 (both days inclusive) for determining the names of members eligible for dividend on equity shares for the financial year ended 31st March, 2022, if declared at the AGM.
3. A final dividend of Rs.0.50 (25%) per share of Rs.2 has been recommended by the Board of Directors for the year ended 31.03.2022. Subject to the approval of the shareholders at the ensuing AGM, the dividend is proposed to be paid on or before Wednesday, 07th September, 2022 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. Tuesday, **26th July, 2022.**
4. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF) the Company has transferred the unclaimed dividends in respect of the Financial Year 2013-14 to the IEPF in October 2021. 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 25752 equity shares held by 1588 shareholders to IEPF in the month of October, 2021. 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 details of the dividend/ shares transferred to IEPF will be uploaded on the above Company website after such transfer.

   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 unclaimed dividend for the financial year 2014-15 declared on September 24, 2015 along with the shares are due to be transferred to the IEPF by November 2022. The same can, however, be claimed by the Members by 15 October, 2022. The details of such unclaimed dividend and shares to be transferred are available on the Company's Website, www.dcmsr.com. The Individual notices will be sent to those shareholders separately whose shares are liable to transfer to IEPF.

5. Shareholders who hold shares in physical form may note that SEBI vide its circular dated 03.11.2021 has made it mandatory for the persons holding securities in physical form to furnish PAN, email address, mobile number, bank account details and nomination details effective from 01.01.2022. On or after 1 April 2023, in case any one of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://dcmsr.com/circular-to-shareholders/#circular-to-shareholders and at KFIN's website https://ris.kfintech.com/clientservices/isc/default.aspx. Members holding shares in physical form are requested to submit their aforesaid details, if not already furnished to the Registrar and Share Transfer Agent viz. KFin Technologies Ltd.

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.

   SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/ splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e https://dcmsr.com/circular-to-shareholders/#circular-to-shareholders. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical 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.

8. The information with regard to Shri Manoj Kumar, 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 continuing Covid-19 pandemic, the Central Government had allowed general meetings to be held through Video Conference / Other Audio Visual Means by following procedures laid down in circulars – Circular No. 21/2021 dated 14.12.2021, Circular No. 19/2021 dated 08.12.2021, Circular No.02/2021 dated 13.01.2021, 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 31.12.2022 by Circular No.02/2022 dated 05.05.2022 (Collectively referred to as "MCA Circulars") considering the continued concern about 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 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 regarding holding e-AGM through VC/OAVM:

    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 or investorservices@dcmsr.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 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
13. Up to 2500 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 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 Video Conference by M/s KFin Technologies Ltd.
18. In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for the financial year 2021-22 have been uploaded on the website of the Company at https://dcmsr.com/financial-results-annual-reports/#financial-results. The Notice can also be accessed from the websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of e-voting agency M/s KFin Technologies 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 the continued 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 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 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 2021-22 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 2021-22 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.

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

1. Members holding shares either in physical form or in electronic form, as on the cut-off date i.e. **Tuesday, 26th July, 2022** can attend the AGM through VC, by following the instructions, as mentioned below:

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

(ii) On the login page, enter the login credentials i.e., User ID (In case of Demat Account enter - DP ID and Client ID / In case of physical mode enter Folio No.) and Existing Password

(iii) After logging in, click on “Video Conference” option.

(iv) Then click on camera icon appearing against AGM event of Company to attend the AGM.

Members who have forgotten the Password are advised to use “Forgot Password” options available on the website.

2. **Speaker Registration during e-AGM session:** Member who wish to ask questions during the AGM, can register themselves as a ‘Speaker” by log into https://emeetings.kfintech.com/ and click on “Speaker Registration” by mentioning the demat account number / folio number, city, email address, mobile number and submit. The speaker registration shall commence from Monday, 01st August, 2022 at 9.00 a.m. and shall close on Thursday, 04th August, 2022 at 5.00 p.m.

Only those Members who have registered themselves as a 'Speaker', as aforesaid, will be able to ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. **AGM questions prior to e-AGM:** Members who wish to post their queries may log into https://emeetings.kfintech.com and click on "Post your Questions" and may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. The posting of the questions by the shareholders/members shall commence from **Monday, 01st August, 2022 at 9.00 a.m. and shall close on Thursday, 04th August, 2022 at 5.00 p.m**

4. 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.

5. 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.

6. 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.

7. 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. they may contact KFIN at toll free number: 1800 3094 001.

8. 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. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

In compliance with the provisions of Section 108 of the Act and Rules made thereunder, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide the members facility to exercise their right to vote through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

The voting through electronic means will commence on Wednesday, 03rd August, 2022 at 9.00 AM and will end on Sunday, 07th August, 2022 at 5.00 P.M.

The details of the process and manner for remote e-Voting are explained herein below:

I. Individual Members holding shares of the Company in Demat mode:

The procedure to login and access remote e-Voting as devised by Depositories / Depository Participants are given below:

A. Individual Members holding shares in Demat mode with National Securities Depository Limited ("NSDL"):

1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:

i. Type in the browser / Click on the following e-Services link: https://eservices.nsdl.com

ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.

iii. A new page will open. Enter your User ID and Password for accessing IDeAS.

iv. On successful authentication, you will enter your IDeAS service login. Click on “Access to e-Voting” under Value Added Services on the panel available on the left hand side.

v. Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:

i. To register, type in the browser / Click on the following link: https://eservices.nsdl.com

ii. Select option “Register Online for IDeAS” available on the left hand side of the page.

iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.

iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. Users may directly access the e-Voting module of NSDL as per the following procedure:

i. Type in the browser / Click on the following link: https://www.evoting.nsdl.com

ii. Click on the button “Login” available under “Shareholder/ Member” section.

iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL’s e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.

iv. On successful authentication, you will enter the e-Voting module of NSDL. Click on “Active E-voting Cycles / VC or OAVMs” option under e-Voting. Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be re-directed to the e-Voting page of “KFintech” to cast your vote without any further authentication.

B. Individual Members holding shares in Demat mode with Central Depository Services (India) Limited (“CDSL”):

1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:

i. Type in the browser / Click on any of the following links: https://web.cdslindia.com/myeasi/Home/Login or https://www.cdslindia.com and click on New System Myeasi / Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox).

ii. Enter your User ID and Password for accessing Easi / Easiest.

iii. You will see Company name on the next screen.

iv. Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:

i. To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration

ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc.

iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. **Users may directly access the e-Voting module of CDSL as per the following procedure:**
   i. Type in the browser / Click on the following links: https://evoting.cdslindia.com/Evoting/EvotingLogin
   ii. Provide Demat Account Number and PAN
   iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
   iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be re-directed to the e-Voting page of KFintech.

C. **Individual Members holding shares in Demat mode - Procedure to login through their demat accounts / Website of Depository Participant:**
   i. Individual Members holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL.
   ii. An option for “e-Voting” will be available once they have successfully logged-in through their respective logins.
   iii. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against Company name or select e-Voting service provider “KFintech” and you will be redirected to the e-Voting page of KFintech to cast your vote without any further authentication.

   Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” / Forgot Password” options available on the websites of Depositories /Depository Participants.

   Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please 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
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022- 23058542-43 or toll free no. 1800 22 55 33

II. **Information and instructions for remote e-Voting by Members other than individuals holding shares of the Company in demat mode and all Members holding shares in physical mode:**

A. In case a shareholder receives an e-mail from the Company / KFintech [for Members whose e-mail address is registered with the Company / Depository Participant(s)]:
   i. Launch internet browser by typing the URL: https://evoting.kfintech.com
   ii. Enter the login credentials (i.e., User ID and Password). The E-Voting Event Number followed by Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFintech for e-Voting, you can use the existing password for logging-in. If required, please visit https://evoting.kfintech.com or contact toll-free number 1800-3094-001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password. Members who forgotten the password are advised to use “Forgot Password” options available on the website.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for DCM Shriram Industries Limited.

vii. On the voting page, enter the number of shares as on the Cut-off Date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”, but the total number under “FOR” / “AGAINST” taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to “ABSTAIN” and vote will not be counted under either head.

viii. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.

x. You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.

xi. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.

xii. Once you confirm, you will not be allowed to modify your vote.

xiii. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc. as mentioned in the notes of this Notice.

B. In case whose email address is not registered with the Company / Depository Participants. kindly follow the instruction in Note No. 19 to the Notice.

Any Member who has forgotten the User ID and Password, may obtain/generate/retrieve the same from KFintech in the manner as mentioned below:

i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS:

MYEPWD<Space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL: MYEPWD<SPACE> XXXXIN12345612345678
2. Example for CDSL: MYEPWD<SPACE> XXXX1402345612345678
3. Example for Physical: MYEPWD<SPACE> XXXX1234567890

ii. If e-mail address and mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com/ the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call on KFintech’s toll-free numbers 1800-309-4001 [from 9:00 A.M. (IST) to 6:00 P.M. (IST) on all working days].

iv. Member may send an e-mail request to evoting@kfintech.com After due verification of the request, User ID and password will be sent to the Member.

v. If the Member is already registered with KFintech's e-voting platform, then he/she/it can use his/her/its existing password for logging-in.

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

Commencement of remote e-voting	: Wednesday, **03rd August, 2022(9:00 A.M.)**
End of remote e-voting	: Sunday, **07th August, 2022 (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. **Tuesday, 26th July, 2022**, 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.

In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFin's website for e-voting: https://evoting.kfintech.com or contact KFintech as per the details given below.

Members are requested to note the following contact details for addressing e-voting related grievances:

Mr. Vasant Rao Chowdhary, Manager - Corporate Registry
KFin Technologies Limited
"Selenium Tower-B", Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500032, Telangana.
Toll-free No.: 1800 3094 001
Email: einward.ris@kfintech.com

<u>Voting at the e-AGM:</u>

i. Members who could not vote through remote e-Voting may avail the e-Voting system provided at the e-AGM ("Insta Poll") by KFin Technologies Limited.

ii. Only those Members/ Shareholders who will be present in the e-AGM through Video Conferencing facility and who have not cast their vote through remote e-Voting are eligible to vote through Insta Poll.

iii. Members who have voted through remote e-Voting will be eligible to attend the e-AGM, however, will not be eligible to vote at the meeting.

iv. Insta Poll Instructions: The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "Insta Poll" page.

v. Members to click on the "Insta Poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

vi. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the e-AGM shall be the same person mentioned for remote e-voting.

22. 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 to the Scrutinizer through email to <u>swaran234@hotmail.com</u> with a copy marked to <u>evoting@kfintech.com</u>, on or before Saturday, 06th August, 2022.

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

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

    Members are requested to note that, Registrar and Share Transfer Agents, M/s. KFin Technologies 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):** Shri Manoj Kumar (DIN: 00072634), aged 56 years, was appointed on the Board as a Director liable to retire by rotation at the AGM held on 02.09.2020. Shri Manoj Kumar is liable to retire by rotation at the ensuing AGM as per Section 152(6) of the Companies Act, 2013. Being eligible he has offered himself for reappointment.

    Brief particulars of Shri Manoj Kumar are given below:

ACADEMICS

• IIM Ahmedabad	SMEP Certification (Residential)	1987
• Hindu College, Delhi University	Bachelors of Commerce (Hons)	1987
• Modern School, New Delhi		1984

PROFESSIONAL EXPERIENCE

- Heading the Family Business of Textile Trading of Cotton Fabrics
- Trustee of Hindu College, Delhi University
- Trustee of Lady Shri Ram College, Delhi University
- Member of Rotary Club of Delhi Midtown
- Trustee of Rtn. Naqshband Institute for Physically Challenged.

OTHER DIRECTORSHIPS

• Spicejet Limited	Director
• Select World Tours (India) Pvt. Ltd.	Director
• M.R. Ramchand & Co. Pvt. Ltd.	Director
• Raghushree Sales Pvt. Ltd.	Director
• B H P C Clothing Pvt. Ltd.	Director

Shri Manoj Kumar belongs to a reputed business family of Delhi. He holds 75 equity shares of Rs. 2 in the Company . The Board of Directors considers that the Company will continue to benefit from his long and varied business experience and accordingly recommends his reappointment for approval.

Shri Manoj Kumar 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.

Except Shri Manoj Kumar, 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 Item No.3 of the Notice.

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	Sh. Y.D. Gupta
Vice President	Company Secretary

KFIN Technologies 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 Vice President (RIS)

Annexure

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

Item No.4

This explanatory statement is in terms of Regulation 36 (5) of SEBI (LODR) Regulations, 2015. However the same is strictly not required as per section 102 of the Companies Act, 2013.

Messrs. B S R & Co., LLP (BSR), Chartered Accountants (Firm Registration No.101248 W/W 100022), Gurugram were appointed Statutory Auditors of the Company by the shareholders in the AGM held on 22.08.2017 for a term of 5 years, that is to hold office from the conclusion of the 26th AGM till the conclusion of the ensuing 31st AGM.

As per Section 139 of the Act, an Audit Firm can be appointed for 2 terms of 5 consecutive years. Accordingly, After evaluating and considering various factors such as industry experience, competency of the Audit Team, efficiency in conduct of audit, Independence etc, the Board of Directors on the recommendation of the Audit Committee, in its meeting held on 30.05.2022 proposed reappointment of Messrs. B S R & Co., LLP, Chartered Accountants, for another term of 5 years as Statutory Auditors, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

BSR have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

BSR is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. BSR is registered in Mumbai, Gurugram, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. BSR audits various companies listed on stock exchanges in India.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members. None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

Item No.5

The Board of Directors in its meeting held on 30.05.2022 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 2022-23 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 2022-23 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.5.

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of your Company for the year ended 31st March 2022 together with the Reports of the Auditors and the Board of Directors thereon.

Pandemic, inflation and state of the economy

The previous two years witnessed the most traumatic time humanity has passed through in a century due to the unprecedented pandemic, Covid-19. Untold misery and loss of life had taken place world-over. The first wave, started in the last part of year 2019-20, wrecked more havoc to the economy because of unplanned, forced shutdowns. The second wave was more ferocious and fatal but less harsh on economy. The world witnessed a third wave of covid in the form of 'Omicron'. However, the severity of Omicron was comparatively lower, and it abated much faster than the other two waves. Covid continues to affect life in several parts of the world, but it appears previous experience taught people to live with it. The threat continues and everyone needs to keep protocols in place.

Intense research and experiments undertaken by pharmaceutical companies in different countries in search of effective vaccines to contain the pandemic were historic and India stood out in bringing out vaccines to combat the spread of the virus. Over the course of a year, India delivered 157 cr doses that covered 91 cr people with at least one dose and 66 cr with both doses. The precautionary vaccination process, 3rd dose, and vaccination for the children of different age groups continue to gather pace. India has the distinction of not only the largest producer of vaccines, but also in supplying vaccines as aid to many countries. Our Country is rightly referred as the pharmacy of the world.

The last two years have been difficult for the world economy due to the pandemic. Frequent waves of infection, supply chain disruption, and recently inflation have created challenging situations for policy making. The last union budget emphasized on infrastructure and creation of capital with the aim that the steps will result in creation of more jobs and will give impetus to overall growth of the economy. Exports of both goods and services have witnessed exceptional growth in the recent past and imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

While the economy was moving towards faster recovery, a war broke out in the Black Sea area between a superpower and its small neighbour. Though the world knows that war only results in destruction and human sufferings and never a solution for any dispute, the Comity of Nations and the institutions created to maintain international peace, remained mute spectators. The ongoing war and the sanctions imposed by and on NATO countries only further adversely affected the world economy. It is hoped that better sense will prevail, and the war will end sooner than later.

RBI in its first Monetary Policy Committee meeting in April 2022 scaled down growth rate projections from 7.8% to 7.2% while retaining the Repo rate at 4%. However, with the spiraling inflation the Central Bank had to review its April decision and revise the Repo rate to 4.40% from 4% and the CRR hiked to 4.5% from 4%. This revision in Repo rate will have a cascading effect on interest rates at which the banks lend and, on the deposits, accepted by the banks. In fact, many banks have already embraced the Policy change. The greatest worry is spiraling inflation, which breached the comfort level of 4% in January and has reached 7.8% in April. WPI inflation reached at a record high of 15.08% in April 2022. These have pulled down the rupee to an all-time low of Rs.77.80 against USD. The situation will compel RBI to shift its focus from economic growth to containing inflation and resultant price rise. The growth projections are bound to be scaled down further in view of the developing situation in the inflation and price fronts. A redeeming feature is the buoyancy in tax collections, which will give the Government some comfort.

It is a matter of satisfaction that despite the adversities posed by the pandemic, the Company's operations continued during the year without any 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, undergo vaccinations and by sanitization of areas surrounding our workplaces.

Financial Summary

The Company achieved a turnover of Rs.2146 cr. against Rs.1960 cr. in the previous year. The gross profit at Rs.124.75 cr. against Rs.129.15 cr. in the previous year is lower by 3.4%. The net profit was Rs.65.74 cr. compared to Rs.65.89 cr. in the previous year.

Appropriation and Dividend

The Board of Directors has recommended a final dividend of Re.0.50 (25%) per equity share of Rs.2 for the year 2021-22. Taking into account the interim dividend of Re.1.00 (50%) per equity share of Rs.2 for the year 2021-22, paid in March 2022, the total dividend for the year amounts to Rs.13.05 cr. (75%) per equity share of Rs.2.

The closing balance of the retained earnings of the Company, after accounting for the interim dividend for the year 2021-22, amounting to Rs.454.14 cr was carried forward in the P & L Account which include the net profit of Rs.65.73 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 31.03.2022.

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 2021-22 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

The global sugar market attained a consumption volume of about 175 million tons in 2020. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of 1% in the forecast period of 2022-27 to reach a volume of 186 million tons by 2026.

India has been producing more sugar than its domestic consumption for last several years. As per the latest estimates, India is expected to produce around 36.00 million tons of sugar in the current season 2021-22 (October 2021 – September 2022) as against estimated domestic consumption of 27.00 million tons.

The upward movement in global sugar prices has continued in the ongoing season 2021-22 and the Indian exports too have boomed despite no export subsidy from the Government so far. Estimated y-o-y lower output in Brazil by almost 6 million tons to around 36 million tons during the sugar season 2021-22 (April-March) due to dry conditions and frosts primarily triggered the spurt in prices. This rise in international prices have made Indian sugar globally competitive. The revised estimates of exports is about 90 million tons.

The measures initiated by the Government in the last 3-4 years have helped the sugar industry to gradually overcome the high inventory condition faced by it. The measures included incentives for export, higher admixing of ethanol with petrol and diversion of more molasses/ cane juice for production of ethanol. The industry has come a long way from the vagaries of low sugar price and high inventory situation. However, even with the above measures, sugar prices in India are expected to remain at current levels in the medium term as closing stock of the commodity is expected to remain at around 9 million tons for the current season (October 21 to September 22) due to higher production. Further initiatives from the Government coupled with expected higher sugar exports in future will be the key factors in lowering the Country's sugar inventory and thereby reducing the supply glut.

Exports have increased from 3.8 million tons in 2018-19 to 7.2 million tons in 2020-21 and is expected to go up further in the current season 2021-22. The international price of sugar is showing an upward trend and presently hovering around US$ 520 per MT. This position should help in firming up domestic prices.

During the year the Unit has changed the process of production of sugar from Sulphitation to Defco Remelt Phosphofloatation (DRP) which has resulted in production of sugar of international standards, with improved efficiencies.

Daurala Sugar Works (DSW) produced 2.195 lakh MT sugar by crushing 20.79 Lakh MT cane as against 2.5 lakh MT sugar by crushing 24.05 lakh MT cane last year. The sugar recovery is 10.55% after diversion of the sugar to B-Heavy molasses as against 10.39% last year. However, sugar recovery in absolute term will remain higher in this year as the recovery is higher and after the change in the process and efficiencies have also improved.

Due to better international price and the Unit's capability of production of sugar as per international standard with new technologies, till 31st March, DSW has contracted 0.976 lakh MT sugar for export without any Government subsidy. This is almost 45% of the total sugar production.

The sugar price realization improved after November 2021 with the change in production process. However, the domestic price is still below Rs.3600 per qtl. The Unit's average export price is Rs.3613 per qtl. Thus, with higher export, the realization from sugar has increased appreciably.

During the year the distillery capacity has been expanded from 150 KLPD to 215 KLPD which has become operational in the first week of December 2021. This will help the Company to enhance its production of ethanol and improve the margins. The Unit produced 31176 KL of alcohol. Production capacity of ethanol has also been enhanced to 155 KLPD from 85 KLPD. Ethanol production in the year was highest ever. It is encouraging that the Government is envisaging to achieve 20% blending of ethanol with petrol by 2025.

This year, diversion to B-Heavy molasses was increased to 63% as against last year's 24%. This will help in increasing production of ethanol for supply to OMCs and result in better margins.

Keeping in view the revised molasses Policy of the State Government, the Unit started bottling country liquor in November 2020 and it is expected to utilize around 60% of the Unit's levy molasses in bottling of country liquor brands in the sugar season 2021-22, which may go up to 80% in the subsequent season.

REC trading which was pending for last 18 months, has been revived this year and the REC stock has been liquidated by trading.

Sanitizer business, started in 2020, continued fluctuating with the waves of the pandemic. The demand was robust when the pandemic was at the peak, and diminished when it abated. However, with higher level of health consciousness among public after the pandemic, the demand for the product is expected to remain, though in a subdued manner.

Rayon

Shriram Rayons achieved highest ever production during the year with increase in capacity utilisation. The Unit was able to run operations uninterrupted during the second and third wave of Covid 19 pandemic with preventive measures in place.

The export volumes suffered in previous two years due to recessionary economic conditions followed by Covid-19 pandemic. However, with opening up of the market after lockdown, the offtake by the customers normalised. The Unit achieved highest ever sales turnover during the year with increase in sales volume coupled with improved realisation.

Due to adverse global demand supply situation, there was steep increase in prices of raw materials, chemicals and logistic cost during the year. However, the Unit was able to pass through the cost increase with higher capacity utilisation, better sales realisation and various cost reduction measures.

The Unit has implemented a project for capacity expansion of Rayon in a phased manner. The project was delayed due poor market conditions, lockdown and restrictions on movement, as a result of the spread of Covid 19.

The Unit also manufactures Nylon Chafer fabric which is sold mainly to domestic tyre companies and Carbon Disulphide for captive consumption and sale in domestic market. The Unit achieved higher sales in these products during the year. The operating margins were also improved with better realisation despite steep increase in input prices.

Capability to use agro fuels, cogeneration facilities and solar power capacity of 2.15 MW has helped the Unit in controlling the energy cost despite increase in prices of fossil fuels. However, this is likely to increase further. More energy conservation measures are being adopted.

The Unit continued receiving appreciation and awards from various forums for productivity, highest export in the segment, occupational health & safety management. The Employers Association of Rajasthan awarded the best employer award to the Unit.

Shriram Rayons continues to maintain quality and standards of its management systems and was recognised for the same, viz. Quality (ISO-9001:2015), Environment (ISO-14001:2015) and Occupational Health and Safety Management Systems (ISO-45001-2018). The Unit participated in assessment of CSR and sustainability by independent international bodies 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

Despite adversities, chemical business of the Company maintained momentum at last year's level. The business came under pressure due to volatile raw material costs, and increased ocean freight. The pharma intermediate portfolio was particularly strained on account of lower antibiotic demand due to covid-19, which lead to reduced elective surgeries and a drop in general infections because of prolonged lockdowns, masking, and social distancing. Shutdowns in China also meant there were lower availability of inputs across the chemical industry supply chain. The geopolitical situation, and high energy costs impacted the viability of our customer products, leading to reduced exports.

The Business worked to counterbalance these factors by optimizing product mix, capacities, and increasing raw material/ energy efficiencies. Parallelly, there was an increased focus on realizations in the agrochemical, fragrances and paint/ dye sectors. Despite significant headwinds, the Business managed to close near to last year's revenues.

Engineering Projects

The Company's foray into Defence equipment manufacturing is still in a nascent stage.

The Company has made progress in the Armoured Vehicle vertical. The non-compliances pointed out by ARAI, Pune have been removed and ARAI has granted the Type Approval Certificate in August 2021. The Company is only the second entity to receive the Type Approval Certificate for Light Bullet Proof Vehicle (LBPV). The approval allows the Company to sell the vehicle to paramilitary forces and state police forces. Accordingly, the LBPVs assembled by the Company are being provided to the Defence Forces and State Police Forces for No Cost No Commitment trials. The LBPVs have performed commendably in all the trials.

Ford India Pvt Ltd, which was the Company's basic platform supplier, decided to exit and close down India manufacturing operations giving a small setback to the project. However, the Company is in discussion with Ford Motor Company regarding the supply of the Vehicle Kits from Thailand. Concurrently, the Company is also engaged in talks with other Indian engine and transmission manufacturers for a different solution/ new class of Armoured Vehicles.

During the year the Company has formalized the arrangements with the Zyrone Dynamics (ZD), a Turkish Company engaged in developing technology for drones by entering into a Share Subscription and Shareholders' Agreement in August, 2021. As per the Agreement, the Company will take up 30% of the share capital in ZD for a total value of US $ 1.05 million in five tranches. Two tranches totaling US $241068 representing 5878 shares (8.92%) have already been subscribed. ZD will extend technological support to the Company in developing different types of drones in India.

Defence related projects have long gestation periods and are subject to stringent regulatory clearances. Because of these the projects take longer period for generation of revenue. The Company's efforts are to see that the projects in hand go on stream as early as possible.

The Central Government policies of “Atmanirbhar” and “Make in India” are expected to give a fillip to the domestic Defence industry in the coming years and the Company will make all possible efforts to seize the opportunity.

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 two non-material wholly owned subsidiaries, Daurala Foods & Beverages Pvt. Ltd., which is not carrying on any operations presently and DCM Shriram Fine Chemicals Limited, incorporated in September 2021 and is yet to commence business. DCM Hyundai Limited is an associate company. The required information regarding the performance and financial position of the subsidiary and associate companies are annexed in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.03.2022. There has been no change in relationship of subsidiaries/ associate companies during the year.

Annual Return

A copy of Annual Return for the year 2020-21, is available on the Company's web link https://dcmsr.com/wp-content/uploads/2021/10/AR-2021.pdf. The Annual Return for the year 2021-22 will be uploaded after filing with the Registrar of Companies in due course.

BOARD MEETINGS AND DIRECTORS

Meetings of the Board

During the year 2021-22 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

A visit of the Board of Directors was arranged on 30.03.2022 to the plants of the Company located at Daurala Meerut (UP). The visit covered Daurala Organics, Daurala Chemical Industries, Daurala Sugar Works, Daurala Distilleries and the Bottling plants. During the visit the directors familiarized themselves with the operations of various plants assisted by senior technical personnel. The directors were appreciative of the way the plants were being maintained particularly the hygienic and safety conditions being adhered to inside and the areas surrounding the plants.

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, recommended 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, except nominee director, 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 2021-22 are given in the Corporate Governance Report forming part of this Report.

Changes in Directors or KMP

During the year, Shri Vineet Manaktala (DIN: 09145644) was co- opted on the Board and appointed Director Finance & Chief Financial Officer w.e.f 01.07.2021, in place of Shri N K Jain, who retired on 30.06.2021. The appointment and terms of remuneration of Shri Vineet Manaktala were approved by the shareholders at the AGM held on 08.09.2021.

Shri Mukesh Gupta, nominee of LIC on the Board, demitted office on 14.03.2022 on withdrawal of his nomination by LIC on account of his retirement from LIC. Mrs. Mini Ipe, Managing Director of LIC, was nominated w.e.f. 30.03.2022 on the Board in place of Shri Mukesh Gupta.

Shri Manoj Kumar, Director, retires by rotation pursuant to Section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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

Annual Evaluation of Board and Directors

As required under the Act and the SEBI (LODR) Regulations, 2015, evaluation of the performance of the Independent Directors, other non-executive directors, Board as a whole, Executive Directors, the Chairman and the Committees during the year 2021-22 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 30.03.2022. 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.
- 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 the same day prior to the Board Meeting, 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 has implemented an advanced SAP S/4 HANA in all business segments. Additionally, manual verification/ controls were also followed.

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 31.03.2022.

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 and the funds provided to DCM Shriram Fine Chemicals Limited, a wholly owned subsidiary, incorporated to explore and set up a fine chemicals plant at Dahej, Gujarat.

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 incorporating the revised requirements and placed the same on the Company's weblink: https://dcmsr.com/wp-content/uploads/2022/02/Policy-on-Related-Party-Transactions.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.188.65 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. Rs.5 lakh was additionally contributed to Prime Ministers' National Relief Fund representing the amount remained unspent by one of the Company's Units due to the disruption caused by the pandemic.

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:

i) Accepted during the year: - Rs. 210.60 Lakh.

ii) Remained unclaimed as at the end of the year: - Rs.6.00 lakh
(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 c) At the end of the year	Nil

iv) The details of deposits which are not in compliance with the requirements 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 – A***nnexure 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.60,000 per Board meeting and Rs.30,000 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 2021-22 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

Pursuant to the approval of the shareholders at the last AGM, held on 08.09.2021 the shares in the Company has been split from the existing nominal value of Rs.10 per share to five shares of Rs.2 each effective from 11.10.2021 thereby keeping the paid up share capital intact.

Listing on NSE

The shares in the company have also been listed on National Stock Exchange w.e.f. 24.12.2021. After the listing the traded volumes in the shares have gone up substantially.

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.

As per Section 139 of the Act, a firm of auditors can be appointed as Statutory Auditors for two terms of five year each. Accordingly, a proposal for reappointment of M/s B S R & Co., LLP is being placed before the shareholders for their reappointment for another term of five years from the conclusion of the ensuing AGM till the conclusion of the AGM in the year 2027.

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 2020-21, submitted the Cost Audit report, due for filing on or before 12.09.2021, to the Central Government on 30.08.2021. They have been reappointed as Cost Auditors for the year 2022-23. A resolution for ratification of their remuneration for the year 2022-23, 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 noteworthy.

For and on behalf of the Board

	(Madhav B. Shriram)	(Alok B. Shriram)
New Delhi,	DIN: 00203521	DIN: 00203808
30 May, 2022	**Managing Director**	**Sr. Managing Director**

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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, 2022 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 the Company for the financial year ended on March 31, 2022 ("during the period under review") 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 and Sweat Equity) Regulations, 2021 to the extent applicable and The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014: **Not Applicable during the period under review.**

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the period under review.**

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, 2021; **Not Applicable during the period under review and**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not Applicable during the period under review.**

(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 and Regulations of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.("Listing Regulation")

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

We further report that,

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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 were 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, following specific event / action took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

(i) During the period under review the company has listed its securities on the board of the National Stock Exchange (NSE) w.e.f 24.12.2021.

(ii) During the period under review the Company has altered its Memorandum of Association to give effect to sub-division of nominal value of equity shares in the Company from Rs.10 each to nominal value of Rs. 2 each.

For Chandrasekaran Associates
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No: 715
UDIN: F001644D000330797

Place: Delhi
Date: 17.05.2022

Notes:

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

Annexure-A

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

Our Report of even date is to be read with along with this letter.

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
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No: 715
UDIN:F001644D000330797

Place: Delhi
Date: 17.05.2022

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/2022/04/Board-Committee-Composition.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. 94,32,15,326

7.

S. No	Particulars	Amount (Rs.)
7(a)	Two percent of average net profit of the company as per section 135(5)	1,88,64,307
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)	1,88,64,307

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
1,83,66,184	N.A.	N.A.	PM National Relief Fund	5,00,000	04-05-2022

(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	Delhi	New Delhi	15,00,000	No	Bansuri Charitable Society	CSR00004775
			No	U.P.	Lucknow	5,00,000	No	ISDC, Lucknow	NA
			No	Maharashtra	Mumbai	5,00,000	No	Indian Association of Gastrointestinal Endosurgeons	CSR00016713
			No	Maharashtra	Mumbai	5,00,000	No	Tata Memorial Hospital	CSR00001287
			Yes	Delhi	New Delhi	10,00,000	No	Dipam Foundation	CSR00005970
			Yes	Delhi	New Delhi	2,50,000	No	Guild for Service	CSR00002713
			Yes	Uttar Pradesh	Daurala	61,37,705	Yes	NA	NA
			Yes	Rajasthan	Kota	7,03,099	Yes	NA	NA
2	Support to education of women / old age / Spl. Able children / library	(ii)	Yes	Delhi	South Delhi	2,00,000	No	Help Care Society	CSR00008265
			Yes	Rajasthan	Kota	19,66,096	Yes	NA	NA

3	Empowering Women, Support to Senior Citizens	(iii)	Yes	Delhi	New Delhi	4,50,000	No	PHD Family Welfare Foundation	CSR00004544
			Yes	Delhi	Central Delhi	5,00,000	No	Bansuri Charitable Society	CSR00004775
			No	U.P.	Ayodhya	5,00,000	No	Shri Ramcharit Manas Bhavan Trust	NA
			Yes	Uttar Pradesh	Daurala	4,13,512	Yes	NA	NA
			Yes	Rajasthan	Kota	2,36,000	Yes	NA	NA
4	Environmental Sustainability and protection of flora and fauna	(iv)	Yes	Haryana	Gurgaon	1,00,000	No	Atulya Ganga Trust	NA
			Yes	U.P.	Daurala	1,53,395	Yes	NA	NA
5	Promotion of traditional art	(v)	No	Karnataka	Bengaluru	5,00,000	No	Art & Photography Foundation	CSR00000053
6	War Widow	(vi)	Yes	Uttar Pradesh	Daurala	26,377	Yes	NA	NA
7	Promotion of Rural Sports	(vii)	Yes	U.P.	Noida	3,00,000	No	Dribble Academy Foundation	CSR00000164
			Yes	Delhi	New Delhi	5,00,000	No	Bansuri Charitable Society	CSR00004775
			Yes	Rajasthan	Kota	30,000	Yes	NA	NA
8	PMNRF and PM CARES	(viii)	Yes	Delhi	New Delhi	9,00,000	Yes	NA	NA
						Total 178,66,184			

(d) Amount spent in Administrative Overheads: **Rs.5 Lakh**
(e) Amount spent on Impact Assessment, if applicable: Not Applicable.
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.183,66,184**
(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)	1,88,64,307
(ii)	Total amount spent for the Financial Year	1,88,66,184
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,877
(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)]	1,877

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	2018-19	**Nil**	**NA**	**NA**	**NA**	**NA**	**NA**
2	2019-20	**Nil**	**NA**	**NA**	**NA**	**NA**	**NA**
3	2020-21	**Nil**	**NA**	**NA**	**NA**	**NA**	**NA**
	Total	**Nil**	**NA**	**NA**	**NA**	**NA**	**NA**

(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): **NOT APPLICABLE**

(Madhav B. Shriram)
Managing Director
DIN 00203521

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

Place: New Delhi,
Date: 30 May, 2022

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 DCH for molasses conditioning by utilizing 2nd effect vapour in place of live steam. The work was satisfactory completed and we saved steam @ 0.10% on cane as envisaged.
- Installation of Melt Concentrator with PHE by using low pressure vapour and there was reduction in steam consumption by 0.25% on cane.
- Installation of VFD (Variable Frequency Drives) on Cane Carrier and Belt carrier application in place of dyno drives, the power saving achieved is 30 Kwh.
- Efforts have been made to reduce raw water consumption @ 11 T per hr by installing fixed vane scrubbers and utilizing spent wash condensate for sealing of front ash hoppers at incinerator.
- Installation of energy efficient motors.
- Existing lighting system replaced by LED lighting system.
- Installed energy efficient Rotatory Vacuum Pump.
- Installed energy efficient leak proof acid transfer pump.
- Installation of high efficiency brine screw and chilled water screw chiller.
- VFD control installed on cooling water pump.
- Process optimization.
- Installation of Power Factor Controller to improve power factor.
- Replacement of ordinary sodium & MV lamp Lights by LED Lights.

II. Steps taken by the Company for utilizing alternate sources of energy:

- Utilization of agro waste pellets in place of coal in coal fired boiler.
- Utilization of agro waste as boiler fuel increased from 95% to 97% of total fuel consumed.
- Harnessing of solar power 2.05 MW capacity.

III. Capital investment on energy conservation equipments : Rs. 1.78 Cr.

B. TECHNOLOGY ABSORPTION :.

I. Efforts made towards technology absorption:

- Prcocess conversion from Double Sulphitation to Refinery by using latest decolorisation technology Defco-remelt-Phosphofloatation with Ion-Exchange (DRPIE) to produce sugar conforming to global standards.
- SCADA based complete automation of new refinery crystallization and decolourisation sections.
- Installation of rotary dryer for producing fine grain sugar conforming to export quality.
- Installation of PHE in place of tubular heaters for better heat transfer.
- Installation of Brine Recovery System and Rinse Water Recovery System using Reverse Osmosis and Membrane filtration, to reduce effluent quantity.
- Bottling of CO2, generated from fermenters at Distillery. This had helped in reducing carbon footprints.
- Air Jet Loom installed with joint Air Splicer.
- SCADA system installed for 5.2 MW STG Set.
- High temperature sleeves provided on electrical cables in fire prone area near boiler furnaces.
- Modified the Caustic Scrubber System at CS2 Refinery for controlling the emission of H2S and CS2 gases
- Pneumatic Temperature Recorders & Controllers replaced with Electronic Temperature Recorders & Controllers.
- Retrievable diffusers commissioned in Aeration tank in ETP.
- Multi -Cyclone Dust Collector installed in powerhouse to control air pollution.
- De-bottlenecking through process innovation.
- Change in the product mix to improve realisation.
- Obtained Type Approval Certificate for a Light Bullet Proof Vehicle (LBPV) which permits to sell the vehicles to Paramilitary and State Police Forces.

II. Benefits derived like product improvement, cost reduction, product development or import substitution :

- Successful conversion of production process from Double Sulphitation to Defco-Remelt process, the quality of sugar had improved in terms of colour value, extraneous matter and sugar produced is sulphur free confirming to global standards.

- Productions done on the basis of Defco-Remelt process has reduced the sugar losses.
- Pollution Control, Quality Improvement, Cost Reduction, Reduction in breakdown, Productivity Increase & Capacity Utilization, Safety.
- Better Capacity utilization.
- Better realization due to waste recovery, less generation of waste.
- Lower cost of the products, debottlenecking to improve overall realization.
- Obtained a world class design for Light Bullet Proof Vehicles.
- Working on different category of prototypes with foreign partners for Vertical Take Off and Landing UAVs.

III. Particulars of the technologies imported during last 3 years: Nil

IV. Expenditure incurred on Research and Development: Rs. 3.11 Cr.

C. FOREIGN EXCHANGE EARNINGS & OUTGO 2021-22:

- Total foreign exchange earned Rs.417.67 Cr and used Rs. 179.14 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 2021-22 :

- Shri S.B. Mathur, Ind. Director	-	7:1
- Shri Alok B. Shriram, Sr.MD	-	88:1
- Shri Madhav B. Shriram, MD	-	88:1
- Smt. Urvashi Tilak Dhar, WTD	-	83:1
- Shri Vineet Manaktala, Director Finance & CFO	-	12:1
- Shri P.R. Khanna, Ind. Director	-	6:1
- Shri Ravinder Narain, Ind. Director	-	5:1
- Shri S.C. Kumar, Ind. Director	-	6:1
- Ms. V. Kavitha Dutt, Ind. Director	-	6:1
- Shri Sanjay C. Kirloskar, Ind. Director	-	5:1
- Shri Manoj Kumar, Non-Executive Director	-	5:1
- Shri Mukesh Gupta , Nominee Director	-	4:1

2. The percentage increase in remuneration of each Director, CFO and Company Secretary in the financial year 2021-22:

- Shri S.B. Mathur, Ind. Director	-	(2.7)
- Shri Alok B. Shriram, Sr.MD	-	(9.9)
- Shri Madhav B. Shriram, MD	-	(10)
- Smt. Urvashi Tilak Dhar, WTD	-	1.7
- Shri Vineet Manaktala, Director Finance & CFO*	-	55.7
- Shri P.R. Khanna, Ind. Director	-	(5.3)
- Shri Ravinder Narain, Ind. Director	-	(5.6)
- Shri S.C. Kumar, Ind. Director	-	(4.2)
- Ms. V. Kavitha Dutt, Ind. Director	-	3.8
- Shri Sanjay C. Kirloskar, Ind. Director	-	(1.1)
- Shri Manoj Kumar, Non-Executive Director	-	17.3
- Shri Mukesh Gupta , Nominee Director	-	1.3
- Shri Y.D. Gupta, Company Secretary	-	3.1

3. Percentage increase in the median Remuneration of employees in the financial year : 22

4. Number of permanent employees on the rolls of the Company : 2413

5. Average percentile increase in the remuneration of employees other than managerial personnel during the year 2021-22 was 21.8%, whereas the average percentile increase in the managerial remuneration was (3.8)%. 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.

* Shri Vineet Manaktala was appointed as Director Finance & CFO w.e.f. 01.07.2021.

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, 2022.

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	2,96,51,876	B.Com. (Hons.), MBA	34	22.05.1990	57	Executive Trainee, Nissho Iwai
Alok B. Shriram	Sr. Managing Director & CEO	2,96,51,595	B.Com. (Hons.)	42	01.01.1990	61	Shriram Honda Power Equipment Ltd.
Urvashi Tilak Dhar	Whole Time Director (Corp Affairs)	2,78,24,249	P.G.(Sociology)	03	14.08.2019	66	—
Akshay Dhar	President (BGA)	51,66,822	BBA (Business & Mgmt. Studies)	17	21.04.2008	38	EID Parry Ltd.
Vinod Kumar Jaitly	COO (BG Rayons)	51,03,779	LLB, B. com, PG Diploma in Business Admn & PG Diploma in Leadership	47	01.02.1993	67	Sr. Manager, Jay Engg. works Ltd.
Girish Yajnik	Sr. Vice President, DO	50,68,656	M.Sc. Organic Chemistry	37	16.03.1991	59	Indian Maize & Chemicals Ltd.
Rudra Shriram	Joint President	49,15,823	B.S. Economics	13	22.08.2013	32	
Rohan Shriram	Vice President	49,06,275	B.A. Economics	2	11.02.2020	28	Verisk Financial Services
Kanika Shriram	President (BGR)	47,35,601	MA (Corp. Comn. & Marketing)	17	03.10.2011	37	Harley-Davidson Motor Co. India Pvt. Ltd.
Vineet Manaktala	Director Finance & CFO	44,15,873	B.Com(Hons), M.Com CA	37	11.04.1995	59	Shriram Honda Power Products Ltd

Mr. Madhav B. Shriram is related to Mr. Alok B. Shriram.
Mr. Rudra Shriram & Ms. Kanika Shriram are related to Mr. Alok B. Shriram.
Mr. Akshay Dhar is related to Mrs. Urvashi Tilak Dhar.
Mr. Rohan Shriram is related to Mr. Madhav B. Shriram

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

Good Corporate Governance practices evolved over the years, play an integral role in present day management. Every business, irrespective of its nature, is closely linked to the society in any way or the other. Ensuring all-round transparency generates and strengthens 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. Corporate Governance goes beyond ensuring corporate compliances. A business to be successful has to build a bond with stakeholders and society based on trust and reputation. Corporate Governance is intended to increase accountability and to facilitate prudent management.

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 levels 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 Company is fully aware of its responsibility to protect environment and the onus on it to reduce emissions in order to achieve targets by 2030. It is the avowed responsibility of the Board of Directors to ensure high standard of Corporate

Governance and lay down stringent compliance policies so as to maintain faith of all stakeholders in the Company.

The CG Report in respect of the year ended 31.03.2022 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) a nominee director, representing Life Insurance Corporation of India as equity investor. They all are persons of eminence with long 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 in hybrid mode on 27.05.2021, 29.06.2021, 13.08.2021, 08.09.2021, 03.11.2021, 14.02.2022 and 30.03.2022. 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	4	6	3
2	Shri Alok B. Shriram	00203808	Sr. MD (Promoter & Executive Director)	7	Yes	2	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 (Retired w.e.f. 30.06.2021)	00203581	Director Finance & CFO (Executive Director)	2	NA	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 Director	7	Yes	Nil	Nil	Nil
9	Ms. V. Kavitha Dutt	00139274	Non-Executive Independent Director	7	Yes	6	3	1
10	Shri Sanjay Chandrakant Kirloskar	00007885	Non-Executive Independent Director	7	Yes	4	3	1
11	Shri Manoj Kumar	00072634	Non – Executive Director	7	Yes	1	2	1
12	Shri Vineet Manaktala (Appointed w.e.f. 01.07.2021)	09145644	Director Finance & CFO (Executive Director)	5	Yes	Nil	Nil	Nil
13	Shri Mukesh Gupta (Resigned w.e.f 14.03.2022 on withdrawal of nomination)	06638754	Nominee Director, LIC	5	Yes	NA	NA	NA
14	Smt. Mini Ipe (Appointed w.e.f. 30.03.2022)	07791184	Nominee Director, LIC	0	NA	1	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	Other directorship in Listed Entities	Category of Directorship
1	Shri S B Mathur	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 Vineet Manaktala	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	Ms. V. Kavitha Dutt	The KCP Limited	Managing Director
		Centum Electronics Limited	Independent Director
		Apollo Hospitals Enterprise Limited	Independent Director
10	Shri Sanjay Chandrakant Kirloskar	Kirloskar Brothers Limited	Managing Director
		KPT Industries Limited	Independent Director
11	Shri Manoj Kumar	Spicejet Limited	Independent Director
12	Smt. Mini Ipe	Nil	Nil

<u>Meeting of Independent Directors:</u> 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 30.03.2022. In the said meeting the Independent Directors, inter alia, reviewed the performance of Executive Directors, Non Executive Directors (other than Independent Directors), Chairman and the Board as a whole. All the Independent Directors attended the meeting.

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.2 each)
1	Shri P.R. Khanna	4800
2	Shri Ravinder Narain	2850
3	Ms. V. Kavitha Dutt	2500
4	Shri S.B. Mathur	--
5	Shri S.C. Kumar	--
6	Shri Sanjay C. Kirloskar	--
7	Shri Manoj Kumar	75
8	Smt. Mini Ipe	--

There are no convertible instruments in the Company, presently.

The Familiarization programme for Independent Directors

A plant visit by directors was organized on 30.03.2022 to different factories of the Company viz Daurala Organics, Daurala Chemical Industries, Daurala Sugar Works, Daurala Distillery and bottling plants, situated at Daurala, Uttar Pradesh. During the visit, Shri S.B. Mathur inaugurated the Tissue Culture Lab wherein research on new varieties of cane is undertaken. The Directors were briefed about the manufacturing technology, process and product development programmes.

The Directors were apprised of the Plants' operation systems, safety measures, process of power generation, handling and management systems etc. They were also apprised of the two major projects undertaken and completed during the year viz. change in the process for sugar production to Defco Remelt Phosphofloatation (DRP) and distillery expansion. The visit was followed by separate meetings of the Independent Directors and the Board.

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 possess 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 to function 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	•	•	•	•	•
Vineet Manaktala	•	•	•	•	•
P R Khanna	•	•	•	•	•
Ravinder Narain	•	•	•	•	•
S C Kumar	•	•	•	•	•
V Kavitha Dutt	•	•	•	•	•
S C Kirloskar	•	•	•	•	•
Manoj Kumar	•	•	•	•	•
Mini Ipe	•	•	•	•	•

Independent Directors

The Board of Directors confirms that in its opinion the Independent Directors fulfill 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 in hybrid mode on 29.06.2021, 13.08.2021, 03.11.2021 and 14.02.2022.

The Audit Committee as on 31.03.2022 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 during the year 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	Member	4
Smt. V. Kavitha Dutt	Member	4
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 is comprised of five (5) Non-Executive Independent Directors. The Company Secretary is the Secretary of this Committee. During the year one (1) meeting of the Committee was held on 29.06.2021. The attendance at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Shri S.C. Kumar	Chairman	1
Shri S.B. Mathur	Member	1
Shri P.R. Khanna	Member	1
Shri Ravinder Narain	Member	1
Shri Sanjay C. Kirloskar	Member	1

All the members of the NRC were present at the previous AGM held on 08.09.2021.

(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 to 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

(E) Stakeholders' Relationship Committee

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

During the year one (1) meeting of the Committee was held on 30.03.2022, 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 previous AGM held on 08.09.2021. Shri Y. D. Gupta, Company Secretary is the Compliance Officer of the Company.

During the year 2021-2022, the Company had received Eleven (11) shareholders' complaints all of which were resolved to the satisfaction of the shareholders.

(F) Risk Management Committee

The Company was not required to constitute a Risk Management Committee as per the Regulations. However, the Board of Directors had laid down a Risk Management Policy to be followed by all Units and Divisions. The Board also regularly monitors the risk minimization measures taken by the Units and Divisions. The Company proposes to constitute a Risk Management Committee during the current year as the Company has become one of the top one thousand companies on the basis of market capitalization as on 31.03.2022 on NSE.

(G) Remuneration of directors:

(a) The criteria and details of pecuniary relationship and transactions of the non-executive directors vis-à-vis the Company are given below:

Non-Executive Directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fee is Rs.60,000 per board meeting and Rs.30,000 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 2021-22 to Non-Executive Directors are given below. Their shareholdings in the Company are also given below:

Non-Executive Directors	Sitting fees (Rs./lakhs)	Commission (Rs./lakhs)	No. of Shares held (equity/ Rs.2 each)
Shri S.B. Mathur	7.85	14.56	--
Shri P.R. Khanna	7.65	13.72	4800
Shri Ravinder Narain	5.00	12.04	2850
Shri S.C. Kumar	6.45	13.72	--
Ms. V. Kavitha Dutt	6.15	12.88	2500
Shri Sanjay C. Kirloskar	4.70	11.20	--
Shri Manoj Kumar	6.10	11.20	75
Shri Mukesh Gupta (Payable to LIC)	2.90	9.52	--

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 relationship with the non-executive directors vis-a-vis the Company during the year. The terms of the deposits are as applicable to other depositors.

b) Remuneration to executive directors

The details of remuneration of executive directors for the year ended 31.03.2022 are given below:

(Amount in Rs.)

Executive Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Shri Alok B. Shriram (Sr. MD)	70,80,000	1,63,97,000	42,62,995	19,11,600
Shri Madhav B. Shriram (MD)	69,60,000	1,61,21,000	46,91,676	18,79,200
Smt. Urvashi Tilak Dhar (WTD)	66,00,000	1,58,14,000	36,28,249	17,82,000
Shri N.K. Jain (Director Finance) (Upto 30.06.2021)	7,20,000	18,00,000 *	6,46,267	1,94,400
Shri Vineet Manaktala [Director Finance & CFO] (01.07.2021 to 31.03.2022)	18,00,000	–	16,15,735	4,86,000

* for the period from 01.04.2020 to 30.06.2021 - 15 months.

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.

(H) General Body Meetings

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

Financial Year	Date	Time	Venue
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 (VC) / Other Audio Video Visual Means
2020-2021	08/09/2021	11:00 A.M.	Video Conferencing (VC) / Other Audio Video Visual Means

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

AGM 2021

1. Re-appointment of Smt. Urvashi Tilak Dhar as Whole Time Director
2. Sub-division of the equity shares in the Company from Rs.10 per share to 5 equity shares of Rs.2 per share and also consequential substitution of the capital clause in the Memorandum of Association.

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.

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.

(I) 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 News Paper. 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 and National Stock Exchange, which is available on its web-sites of the both Stock Exchanges. 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 Exchanges 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.

(J) General Shareholder Information

(i) The ensuing AGM will be held on Monday, the 08th of August,2022 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 26.07.2022.

(iv) **Dividend**

The Board of Directors has recommended a final dividend of Re. 0.50 per equity share of Rs.2 each (25%) for the year 2021-22. With the interim dividend of Re. 1 (50%) paid in March, 2022 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, under Section 125 of the Act, 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 unclaimed dividend amount of Rs.22,56,943.50 pertaining the Financial Year 2013-14 on 04th October, 2021 to the IEPF. The Company has also transferred 25,752 shares to IEPF on which dividends have not been claimed for seven consecutive years.

The unclaimed dividend for the financial year 2014-15 declared on September 24, 2015, along with the relative shares are due to be transferred to the IEPF by November 2022. The same can, however, be claimed by the Members by 15th October, 2022. 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, 2015 onwards may forward their claims to the Company's Registrar and Share Transfer Agents before these become 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 prescribed 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
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
2020-21 (Final)	08.09.2021	October, 2028
2021-22 (Interim)	14.02.2022	March, 2029

(vi) **Listing on Stock Exchange**

The names of the stock exchanges at which Company's shares are listed as on 31st March, 2022 and details of "Scrip Codes" are as mentioned below:

Name of the Stock Exchange	SCRIP Code
Bombay Stock Exchange Ltd.	523369
National Stock Exchange of India Ltd.	DCMSRIND

It is confirmed that the Company has paid Annual Listing Fees to the above Stock Exchanges within the prescribed time.

The equity shares in the Company were listed on National Stock Exchange w.e.f. 24.12.2021

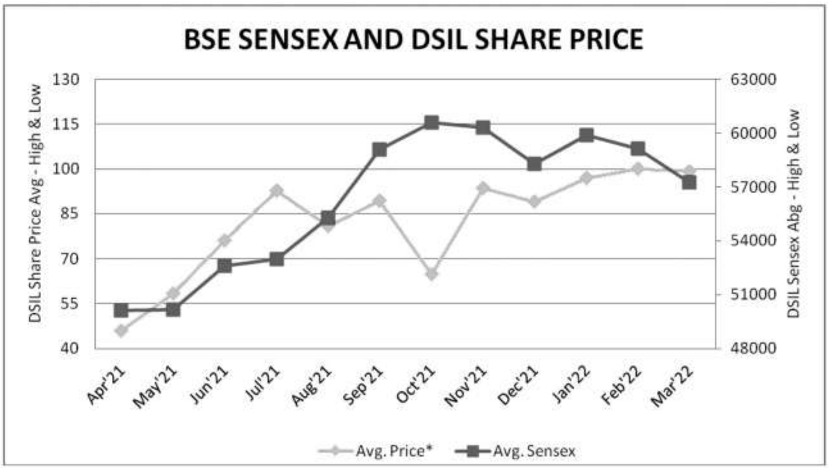
(vii) **Market price of DSIL's Share**

Monthly high and low prices of equity shares in the Company traded on The Bombay Stock Exchange Limited and National Stock Exchange of India Limited are given below:

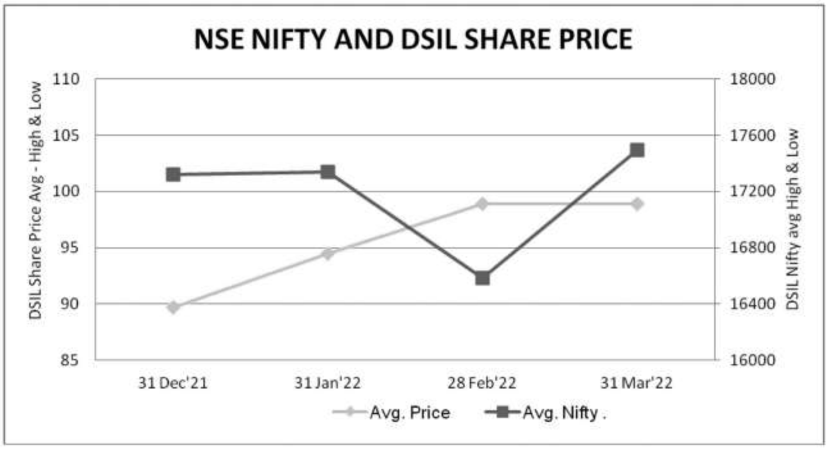
Month	BSE		NSE	
	High	Low	High	Low
April, 2021	279.90	180.00	NA	NA
May, 2021	319.95	262.05	NA	NA
June, 2021	484.90	275.00	NA	NA
July, 2021	494.90	432.45	NA	NA
August, 2021	452.70	356.00	NA	NA
September, 2021	502.00	392.30	NA	NA
October, 2021 *	563.95	84.00*	NA	NA
November, 2021	109.00	78.00	NA	NA
December, 2021	97.65	80.60	92.80	86.55
January, 2022	107.15	87.00	107.00	82.00
February, 2022	117.00	82.90	116.75	81.00
March, 2022	109.90	88.25	109.75	88.10

* The nominal value of the shares was sub-divided into Rs.2 per share from Rs.10 per share effective from 11.10.2021.

Share performance in comparison to broad based indices (BSE Sensex & NSE Nifty)



* Traded price prior to sub-division of face value in October, 2021 adjusted to Rs. 2 face value for comparison.



The sub-division of face value of the shares in the Company from Rs 10 per share to 5 equity shares of Rs. 2 per share was effective from October 11, 2021, being the record date.

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

KFin Technologies 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 / 1800 3094 001
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. Beyond 2000 shares, in any one case, transmission is approved by Stakeholders' Relationship Committee.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialized form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialized form only. The necessary forms for the above requests are available on the website of the Company i.e www.dcmsr.com.

Committee for issue of Duplicate Share Certificates - 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, 2022

Category (Shares)			Number of Shareholders	% of Shareholders	Total Shares	% of Shares
1		5000	65769	99.08	12459201	14.32
5001	-	10000	320	0.48	2412883	2.77
10001	-	20000	144	0.22	2103101	2.42
20001	-	30000	40	0.06	954184	1.10
30001	-	40000	20	0.03	716992	0.82
40001	-	50000	18	0.03	840750	0.97
50001	-	100000	30	0.05	2102648	2.42
100001	&	Above	42	0.06	65402426	75.18
TOTAL			**66383**	**100.00**	**86992185**	**100.00**

Included shares transferred to IEPF.

B. Shareholding Pattern as on 31st March, 2022

Category	No. of shares held	% of Shareholding
Promoters	43590115	50.11
FIs, Banks & Mutual funds	4498410	05.17
Others (public)	38903660	44.72
TOTAL	**86992185**	**100.00**

(x) **Dematerialization of shares**

The shares in the Company are under compulsory dematerialized trading. Up to 31.03.2022, 850.33 Lakh out of 869.92 Lakh (97.75%) Equity Shares in the Company have been dematerialized. The Company's ISIN No. is INE843D01027.

(xi) **Outstanding instruments**

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

(xii) **Plant locations**

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

(xiii) **Address for correspondence with the Company:**

'Investor Service Section'
5th Floor, Kanchenjunga Building,
18, Barakhamba Road, New Delhi – 110001
CIN - L74899DL1989PLC035140
E-mail ID - investorservices@dcmsr.com
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 15.09.2021 Valid till 14.09.2022
Short term bank facilities	CARE A1 +	Reaffirmed on 15.09.2021 Valid till 14.09.2022
Long term facilities	CARE A +	Reaffirmed on 15.09.2021 Valid till 14.09.2022

(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

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/2022/02/Policy-on-Related-Party-Transactions.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 2021-22.

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 subsidiaries to the Statutory Auditors of the respective companies during the year 2021-22 are given below:

Auditors	Audit	Amount (Rs./ lakh)
Company – BSR & Co., LLP	- Statutory Audit - Others	50.00 32.00
Wholly owned Subsidiary – M/s. SR Dinodia & Co.	- Statutory Audit - Others	0.59 0.35
Wholly owned Subsidiary - M/s. Aggarwal Nikhil & Co.	- Statutory Audit - Others	0.25 ---

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.

m) No loan or advances in the nature of loans were given to firms/ companies in which directors are interested during the year 2021-22.

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.

(K) 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 (Rs10 each)**
Outstanding shares in the suspense Account as on 1st April, 2021.	366	5658
Number of shareholders approached the Company for transfer of shares from suspense account during the year 2021-22.	None	NIL
Number of shareholders to whom shares were transferred from suspense account during the year 2021-22.	None	NIL
Shares transferred to IEPF as per IEPF Rules 2016 (for the year 2021-22.) from suspense account.	58	678
Outstanding shares lying in the suspense account at the end of 31.03.2022	308	4980(24900 shares of face value of Rs. 2/-)

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 the 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 2021-22.

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

May 30, 2022

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, 2021 to March 31, 2022 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 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: F010155D000387501

New Delhi
Date: May 25, 2022

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 having CIN L74899DL1989PLC035140 and registered office at Kanchenjunga Building 18, Barakhamba Road New Delhi-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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	Original Date of appointment in Company
1	Sunil Behari Mathur	00013239	14/01/2008
2	Alok Bansidhar Shriram	00203808	01/04/1992
3	Madhav Bansidhar Shriram	00203521	05/10/2005
4	Urvashi Tilak Dhar	00294265	14/08/2019
5	Vineet Manaktala	09145644	01/07/2021
6	Prithvi Raj Khanna	00048800	05/10/2005
7	Ravinder Narain	00059197	29/01/2008
8	Samir Chandra Kumar	00064453	10/02/2013
9	Velagapudi Kavitha Dutt	00139274	02/02/2015
10	Sanjay Chandrakant Kirloskar	00007885	01/09/2018
11	Manoj Kumar	00072634	27/06/2020
12	Mini Ipe	07791184	30/03/2022

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

Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS No.: 1644
Certificate of Practice No: 715
UDIN: F001644D000330821

Place: Delhi
Date: 17.05.2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's business comprises of sugar, alcohol, co-generation of power, hand sanitizer, fine chemicals, industrial fibre and Defence related engineering products, 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

India is the second largest producer of sugar in the world. This largest agro-based industry plays an important role in the national economy, particularly rural economy. It provides employment to large number of persons. The industry was in the shackles of controls for years and struggled to survive. Overproduction, high inventories, mismatch in the cane and sugar prices had driven the industry to desperation at some stage.

The State and Central Governments realized the situation and initiated various measures to salvage the industry in the past couple of years. The measures included reasonable increase in SAP for cane, subsidy for cane payments, incentives for export, increased admixing of ethanol with petrol at increased prices and incentives for production of ethanol from B heavy molasses. All these measures helped the industry to reduce inventories despite continued bumper production.

The estimated sugar production in the sugar season October 21- September 22 is 36 million tons after taking into account diversion of 3.4 million tons of sugar equivalent to ethanol. Export is also estimated to be around 9 million tons. After accounting for domestic consumption of about 27 million tons the closing stock of sugar is expected to be 6.8 million tons. This may lead to stable domestic sugar price.

The area under sugar cane has not seen any significant increase in the last few years. Higher yields and recoveries are due to better seed varieties and timely application of fertilizers and water including good rainfall in the recent years. It is in this scenario that Government's Ethanol Blending Plan (EBP) will come into play in supporting the industry. Diversion of surplus sugar into ethanol will improve liquidity and check the fall in sugar prices.

By 2025, the Government is committed to increase the ethanol blending from the present 10% to 20%. In anticipation of higher blending of ethanol with petrol many mills have expanded the ethanol capacity. Daurala Sugar Works also increased its distillery capacity and production of ethanol in anticipation of Government's EBP.

With the introduction of DRP process in sugar production and expansion of distillery capacity and higher production of ethanol DSW is expected to sustain its profitability level in the coming years.

The Unit continues to export power out of cogeneration capacity to the Grid.

Bottling of potable alcohol has been enhanced with addition of one more line.

Demand for sanitizer is linked to the intensity of the pandemic. Production is regulated based on market demand.

Rayon

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.

The Unit has been working continuously to increase its market share by seeking approvals from present and prospective customers.

The demand for the products was broadly consistent. However, it suffered in last two years due to recessionary economic conditions followed by extended lockdown worldwide, due to Covid 19 pandemic. Even in this period, the Unit was able to marginally improve its market share despite reduction in sales volumes.

The demand situation normalised with opening of the market post lockdown. The offtake by the tyre companies increased substantially during the year over the previous year. To meet the market requirement, the Unit increased capacity utilisation and achieved highest production during the year.

Based on the current offtake and market assessment sale is expected to further increase next year providing opportunity to increased capacity utilisation.

Keeping in view market assessment, the Unit has implemented a rayon capacity expansion project. Upgradation of dipping facility was also completed in the previous year. The Project has been delayed due to lockdown and movement restrictions due to Covid 19.

The Unit has capability to supply treated fabric which is a readily usable product and is preferred by the tyre companies. This has been further strengthened with upgradation of the dipping facility. The treated fabric share in its export has been growing and constituted 85% of the exported volume during the year.

There has been steep increase in prices of all the inputs and these are expected to remain at higher levels due to adverse global demand supply situation. The logistic cost has also gone up substantially due to increase in ocean freight arising out of cancellation of vessels and shortage of containers. The transit time has also gone up consequently.

The Unit has been able to obtain adjustment in selling price to offset these escalations. Further continuous increase in the input prices, due to evolving global situation, is posing a challenge.

Shriram Rayons 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 97% reducing the fossil fuel consumptions to 3%. The Unit maintains offsite husk storage facilities to procure and store husk during the season for use throughout the year.

The Unit has 2.15 MW Solar Power capacity working satisfactorily, supplementing the grid / captive power.

As a result of the above upgradation, Unit has been able to limit the impact of steep increase in energy prices. However, energy cost will continue to be a challenge.

Shriram Rayons 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.

Effluent treatment and pollution control are key areas of attention for the Unit.

Chemicals

The Company worked to arrest the drop in demand and margins by optimizing production capacities, increasing realizations, and remaining nimble so as to capitalize on the market opportunities.

The Company maintained its efforts toward cost reduction by investing in new technologies and equipment which lead to significant energy savings, and more efficient processes. Operational safety and delivery of quality material to customers continued to be of topmost priority.

There were considerable efforts to de-bottleneck capacities of existing products that have strong demand and growth prospects. The Business is evaluating various potential opportunities for future expansion and aims to firm up plans for some promising new projects.

Engineering Projects

Since the Company forayed in the arena of defence production it has received industrial licences for manufacture of Light Bullet Proof Vehicles, Unarmed Aerial Vehicles, communication equipment and opto electronic devices. The Company has made substantial progress in producing prototypes of LBPVs, which are undergoing trials with defence and paramilitary establishments. One of the models has received ARAI certificate for sale of the vehicles for purpose of security forces/ paramilitary forces and for defence applications. The project for UAVs (Drones) is also in progress and undergoing tests.

With the Governments “Make in India” and “Atmanirbhar” programmes this Sector is expected to get a boost and the Company hope to seize the opportunity. As the products envisaged have long gestation periods and subject to rigorous tests and trials the projects may take longer time in generating revenues.

Financial Ratios

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

Sl. No.	Ratio description	Unit	2020-21	2021-22	Change %	Remarks
1	Debtors turnover	No. of times	10.19	9.40	-7.8	-
2	Inventory turnover	No. of times	1.97	2.12	7.9	-
3	Interest coverage ratio	No. of times	4.25	4.10	-3.5	-
4	Current ratio	No. of times	1.25	1.23	-1.5	-
5	Debt equity ratio	No. of times	0.81	0.83	2.3	-
6	Operating profit margin	%	8.62	7.69	-10.8	-
7	Net profit margin	%	3.36	3.06	-8.9	-
8	Return on Net worth	%	11.20	10.32	-7.8	-

Material Development in human resources/ industrial relations front

The Company's HR philosophy is based on the idiom 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 and take care of needs of the work force, being one of the pillars of the organization.

The Company has implemented SAP HANA system linking all its Units/ Divisions and offices. A concerted effort is going on to mold and make the employees familiar with the handling of the new system. It is hoped that with the introduction of SAP the flow and accuracy of data will be improved substantially resulting in better efficiency particularly in the accounts and finance functions.

Industrial relations remained cordial in all operations during the year. As on 31.03.2022, the total number of employees on the Company's pay roll was 2413.

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. In the year 2021-22 special emphasis was on activities for providing relief to people affected by the pandemic.

Environment protection

The Company gives utmost importance to environment protection in and around the areas, where its operations are located. Apart from installing state of the art effluent treatment and waste disposal plants the Company give special attention for tree plantation in and around Daurala and Kota. This activity not only improves the quality of air in the area, but also mitigates greenhouse emissions, which are the major cause of global warming. The emphasis continues to be on using environment friendly agrofuels for power generation in place of fossil fuels.

The Company's Units have progressively shifted to environment friendly fuels from fossil fuels for power generation. DSW has 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 find solutions to minimize emissions from its operations and to remain environment friendly.

INDEPENDENT AUDITOR'S REPORT

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 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 Matter

Determination of carrying value of inventory of sugar and the related products as at 31 March 2022
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, 2022, the Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of INR 47,420.16 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 net realizable value (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 the process followed by the management and tested Company's key controls 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.

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 standalone financial statements and our auditor's report thereon.

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone 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 Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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, 2020 ("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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 standalone 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 2022 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 2022.

   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 2022 and

   iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 58 (v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 58 (vi) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit 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

Place: New Delhi
Date: 30 May 2022

Membership No. 090075
UDIN: 22090075AJWMLR9511

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) 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 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 accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of the property	Gross block as at March 31, 2022 (Rs. in lakhs)	Held in name of	Whether Promotor, Director or their Relative or employee	Period held	Reason for not held in the name of company
Daurala, Uttar Pradesh – Freehold	379.04	DCM Limited	No	Since 1991	Refer Note 51 of the Standalone financial statements
Daurala, Uttar Pradesh – Freehold	44.95	Daurala Organics Limited	No	Since 2005	Refer Note 51 of the Standalone financial statements
Kota, Rajasthan - Leasehold	465.00	DCM Limited	No	Since 1991	Refer Note 51 of the Standalone financial statements

(d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories, except goods-in-transit, have been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts till date has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year:

- the Company has not granted advances in the nature of loans, secured or unsecured, or provided security or guarantee to companies, firms or limited liability partnerships or other parties;
- the Company has made investments, granted unsecured loans, to company and other parties in respect of which the requisite information is as below:

(a) Based on the audit procedures carried out by us and, as per the information and explanations given to us, the Company has provided loans, to any other parties as below:

Particulars	Investment (INR Lakhs)	Loans (INR Lakhs)
Aggregate amount during the year - Subsidiary - Others (Employees)	1 -	- 91
Balance outstanding as at the balance sheet date - Subsidiary - Others (Employees)	1 -	- 67

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year, and the terms and conditions of the grant of loans, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(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 given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. Lakhs)*	Amount paid under protest (Rs. Lakhs)	Remarks, if any
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 and 2017-18	8,889.96	50	
Central Excise Act, 1944	Excise Duty	CESTAT, Delhi	1995- 1996	3.22	-	
		Assistant Commissioner (Appeals)	June 2017	20.36	-	
Sales Tax Laws	Sales Tax	High Court	2008-2009, 2009-2010, 2010-2011, 2013-2014	15.63	-	
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 April 2020 to October 2020	7,415.03	3,418	

* 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.

\# 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 and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) 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 defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) 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 been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates. The Company does not have any joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. The Company does not have any joint venture.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) 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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group as detailed in note 58 to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 22090075AJWMLR9511

Place : New Delhi
Date : 30 May 2022

Annexure B to the Independent Auditor's report on the standalone financial statements of DCM Shriram Industries Limited for the year ended 31 March 2022.

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 standalone financial statements of DCM Shriram Industries Limited ("the Company") as of 31 March 2022 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 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (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
Firms Registration No. 1012482W/ W-100022

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 22090075AJWMLR9511

Place : New Delhi
Date : 30 May 2022

DCM SHRIRAM INDUSTRIES LIMITED
Standalone Balance Sheet as at March 31, 2022

Particulars	Note	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**54,540.25**	47,463.88
Capital work-in progress	3	**3,256.06**	2,353.41
Right-of-use-assets	40	**1,549.85**	2,001.58
Intangible assets	4	**323.89**	98.55
Intangible assets under development	4	**-**	60.97
Financial assets			
(i) Investments	5	**2,465.62**	613.40
(ii) Loans	6	**50.02**	32.80
(iii) Other financial assets	7	**475.99**	592.61
Income-tax assets (net)	8	**1,600.06**	1,728.25
Other non-current assets	9	**222.11**	755.90
Total non-current assets		**64,483.85**	55,701.35
Current assets			
Inventories	10	**63,269.61**	66,031.96
Financial assets			
(i) Investments	11	**990.79**	4,769.58
(ii) Trade receivables	12	**25,495.06**	19,676.06
(iii) Cash and cash equivalents	13	**828.69**	1,985.90
(iv) Other bank balances	14	**654.77**	1,215.51
(v) Loans	15	**5.79**	40.74
(vi) Other financial assets	16	**15,901.53**	13,349.65
Other current assets	17	**3,723.17**	3,429.14
Total current assets		**1,10,869.41**	1,10,498.54
TOTAL ASSETS		**1,75,353.26**	1,66,199.89
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	**1,739.84**	1,739.84
Other equity	19	**63,697.77**	58,247.16
Total equity		**65,437.61**	59,987.00
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	**12,901.45**	11,507.11
(ii) Lease liabilities	40	**1,326.26**	1,773.99
(iii) Other financial liabilities	21	**94.23**	101.62
Provisions	22	**1,214.93**	1,278.34
Deferred tax liabilities (net)	38	**3,976.44**	2,809.78
Other non-current liabilities	23	**51.08**	52.60
Total non- current liabilities		**19,564.39**	17,523.44
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**41,318.52**	37,087.74
(ii) Lease liabilities	40	**451.40**	399.15
(iii) Trade payables	25		
-Total outstanding dues of Micro and Small Enterprises		**1,263.91**	777.77
-Total outstanding dues of creditors other than Micro and Small Enterprises		**25,325.40**	33,412.95
(iv) Other financial liabilities	26	**3,237.29**	2,423.81
Provisions	27	**16,386.13**	11,186.58
Other current liabilities	28	**2,368.60**	3,401.45
Total current liabilities		**90,351.26**	88,689.45
TOTAL EQUITY AND LIABILITIES		**1,75,353.26**	1,66,199.89
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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

Particulars	Note	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Revenue from operations	29	**2,12,311.82**	1,94,300.13
Other income	30	**2,276.26**	1,640.69
Total Income		**2,14,588.08**	1,95,940.82
Expenses			
Cost of material consumed	31	**1,17,860.64**	1,06,842.36
Purchase of traded goods	32	**19,479.66**	14,757.14
Changes in inventories of finished goods and work-in-progress	33	**(67.26)**	8,579.13
Employee benefits expense	34	**16,522.29**	14,745.69
Finance costs	35	**4,021.18**	3,973.88
Depreciation and amortisation expense	36	**3,274.84**	2,916.46
Other expenses	37	**44,295.51**	34,127.37
Total expenses		**2,05,386.86**	1,85,942.03
Profit before tax		**9,201.22**	9,998.79
Tax expense			
Current tax expense	38	**2,137.36**	2,930.03
Deferred tax charge	38	**490.28**	479.88
		2,627.64	3,409.91
Profit for the year		**6,573.59**	6,588.88
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement gain on defined benefit obligation		**279.61**	197.64
Income tax pertaining to items that will not be reclassified to profit or loss		**(97.71)**	(69.06)
Total other comprehensive income net of taxes		**181.90**	128.58
Total comprehensive income for the year, net of taxes		**6,755.49**	6,717.46
Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)	43	**7.56**	7.57
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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**9,201.22**	9,998.79
Adjustments for :		
Depreciation and amortisation	**3,274.84**	2,916.46
Finance costs	**4,021.18**	3,973.88
Interest income	**(45.73)**	(70.41)
Interest received against subvention	**(299.58)**	(455.69)
(Profit) / loss on sale of property,plant and equipment / discarded assets (net)	**(168.72)**	20.36
Provisions/liabilities no longer required, written back	**(603.54)**	(272.18)
Bad debts and advances written off	**-**	25.23
Profit on sale of current investments	**(27.81)**	(29.26)
Net gain on fair value of investments	**(26.38)**	(82.89)
Operating profit before changes in assets and liabilities	**15,325.48**	16,024.29
Changes in assets and liabilities		
(Decrease) / Increase in trade payables	**(7,487.87)**	7,090.53
Increase / (Decrease) in financial liabilities	**1,191.22**	(1.76)
Increase in other liabilities & provisions	**4,381.38**	3,036.43
(Increase) in trade receivables	**(5,819.00)**	(1,244.13)
Decrease in inventories	**2,762.35**	242.44
(Increase) / Decrease in financial assets	**(2,412.29)**	363.95
(Increase) in other assets	**(352.57)**	(1,070.51)
Cash generated from operations	**7,588.70**	24,441.24
Income tax paid (Net)	**(1,430.50)**	(1,912.60)
Net cash from operating activities (A)	**6,158.20**	22,528.64
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	**(12,069.13)**	(5,703.49)
Proceeds from sale of property, plant and equipments and intangible assets	**1,615.25**	92.25
Purchase of current investments	**(200.00)**	(7,108.87)
Advance to wholly owned subsidiary for share capital	**(1,671.64)**	-
Investment in equity shares - non current	**(180.58)**	-
Proceeds from sale of long term non trade investments	**490.00**	-
Proceeds from sale of current investments	**4,032.98**	3,612.46
Changes in other bank balances	**560.74**	(823.28)
Interest received	**39.14**	64.61
Net cash used in investing activities (B)	**(7,383.24)**	(9,866.32)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	**9,025.33**	1,566.06
Repayment of long term borrowings	**(7,128.56)**	(6,470.00)
Proceeds / (Repayments) from short term borrowings (net)	**3,711.72**	(5,351.10)
Repayments of Lease Liabilities	**(400.86)**	(383.59)
Finance costs paid (Net of subvention)	**(3,833.92)**	(3,529.36)
Dividend paid	**(1,305.88)**	(866.28)
Net cash from / (used) in financing activities (C)	**67.83**	(15,034.27)
Net decrease in cash and cash equivalents (A+B+C)	**(1,157.21)**	(2,371.95)
Cash and cash equivalents at the beginning of the year	**1,985.90**	4,357.85
Cash and cash equivalents at the end of the year	**828.69**	1,985.90
Component of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	**683.39**	1,956.28
- Deposit with original maturity of less than three months	**126.45**	18.06
- Cash in hand	**18.85**	11.56
Cash and cash equivalents at the close of the year	**828.69**	1,985.90

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, 2020	23,757.11	35,212.30	2,568.94	61,538.35
Cash flows during the year	(6,725.66)	(6,843.46)	(587.69)	(14,156.81)
Non-cash changes due to:				
- Interest expense (net of subvention)	1,821.72	1,492.36	-	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**
Opening balance as at April 1, 2021	**18,853.17**	**29,861.20**	**2,173.14**	**50,887.51**
Cash flows during the year	**490.27**	**1,642.41**	**(580.63)**	**1,552.05**
Non-cash changes due to:				
- Interest expense (net of subvention)	**1,472.52**	**2,069.31**	**-**	**3,541.83**
- Finance cost on lease liability	**-**	**-**	**179.77**	**179.77**
- Lease liability reversed	**-**	**-**	**5.39**	**5.39**
Closing balance as at March 31, 2022	**20,815.96**	**33,572.92**	**1,777.67**	**56,166.55**

* 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.

This does not include current maturities of loan term borrowings

Notes

1. 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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 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**
Changes in equity share capital during the year ended March 31, 2022	-
Balance as at March 31, 2022	**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, 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 for the year net of tax	-	-	-	-	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
Balance as at April 1, 2021	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**39,963.40**	**58,247.16**
Profit for the year	**-**	**-**	**-**	**-**	**6,573.59**	**6,573.59**
Other comprehensive income for the year net of tax	**-**	**-**	**-**	**-**	**181.90**	**181.90**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**46,718.89**	**65,002.65**
Transactions with shareholders, recorded directly in equity						
Distribution to shareholders						
Final dividend on equity shares (Rs. 2.5 per equity share of Rs. each)	-	-	-	-	**(434.96)**	**(434.96)**
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	**-**	**-**	**-**	**-**	**(869.92)**	**(869.92)**
Balance as at March 31, 2022	**1,411.38**	**13,465.60**	**0.10**	**3,406.68**	**45,414.01**	**63,697.77**

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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief
Financial Officer

Y.D. Gupta
Vice President &
Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 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 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, 2022, are approved by the Company's Audit Committee and by the Board of Directors on 30 May 2022.

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 profit and loss (FVTPL)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair value through profit and loss (FVTPL)

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, or
- 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. 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 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 values at the separation point, when the products become separately identifiable.

By-products are valued at estimated net realizable value.

e) Revenue recognition

i. Sale 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 assesses 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

Company as a lessee

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

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 FVTOCI 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 FVTOCI 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 FVTOCI – 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 FVTOCI 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 any 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 services tax input credit

Goods and services tax input credit is recognised in the books of account 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.

2A. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

1. **Ind AS 16 – Property Plant and equipment -** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

2. **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –** The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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, 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
Add: Additions during the year	**-**	**2,048.84**	**-**	**102.77**	**8,754.81**	**373.78**	**748.12**	**44.80**	**12,073.13**	**10,636.45**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**2,048.84**	**-**	**15.46**	**307.37**	**236.27**	**79.63**	**48.87**	**2,736.45**	**9,733.80**
Balance as at March 31, 2022	**789.26**	**465.35**	**423.56**	**5,356.65**	**56,069.50**	**1,078.33**	**1,374.22**	**265.81**	**65,822.68**	**3,256.06**
Accumulated depreciation										
Balance as at April 1, 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	-
Add: Depreciation expense for the year	-	-	**46.62**	**174.50**	**2,256.83**	**105.62**	**150.12**	**40.03**	**2,773.72**	**-**
Less: Disposals / adjustments during the year	-	-	-	**15.46**	**224.41**	**168.67**	**70.13**	**34.73**	**513.40**	**-**
Balance as at March 31, 2022	-	-	**79.24**	**1,110.38**	**9,220.00**	**341.76**	**409.97**	**121.10**	**11,282.44**	**-**
Net carrying value										
As at March 31, 2022	**789.26**	**465.35**	**344.32**	**4,246.27**	**46,849.50**	**736.57**	**964.25**	**144.71**	**54,540.25**	**3,256.06**
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

Ageing of Capital Work in Progress is as under:

(Rs.lakhs)

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	1,498.08	377.42	113.49	-	**1,988.99**
Projects delayed*	1,168.49	98.58	-	-	**1,267.07**
Total	**2,666.57**	**476.00**	**113.49**	-	**3,256.06**
As at March 31, 2021					
Projects in progress	2,231.49	121.92	-	-	2,353.41
Total	2,231.49	121.92	-	-	2,353.41

* On account of Covid-19 pandemic, few projects have been delayed.

Details of projects delayed:

(Rs.lakhs)

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project-1	762.70	98.58	-	-	**861.28**
Project-2	405.79	-	-	-	**405.79**
Total	**1,168.49**	**98.58**	**-**	**-**	**1,267.07**

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

\# Refer note 55

Notes:

1) For contractual commitments with respect to Capital work-in-progress, refer note 41 (B).
2) For details on PPE & CWIP mortgaged/charged against borrowings, refer note 53.
3) Borrowing cost capitalised during the year Rs. 178.31 lakhs (March 31, 2021- Rs 169.95 lakhs) with a capitalisation rate ranging from 3.7% to 8.6% p.a. (March 31, 2021-9.3% 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 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
Add: Additions during the year	**268.55**	**-**
Less: Disposals / adjustments / capitalized during the year	**-**	**60.97**
Balance as at March 31, 2022	**546.83**	**-**
Accumulated amortisation		
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**	**-**
Add: Amortisation expense for the year	**43.21**	**-**
Less: Disposals / adjustments during the year	**-**	**-**
Balance as at March 31, 2022	**222.94**	**-**
Net carrying value		
As at March 31, 2022	**323.89**	**-**
As at March 31, 2021	98.55	60.97

Ageing of Intangible assets under development is as under:

(Rs.lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	**-**	**-**	**-**	**-**	**-**
As at March 31, 2021					
Projects in progress	60.97	-	-	-	60.97

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

5. Investments- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investment in equity instruments		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited 2 (March 31, 2021 - 2) equity shares of face value of Rs. 10 each, fully paid up.*	**0.00**	0.00
Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S. 5,878 (March 31, 2021-Nil) equity shares of face value of 1 Turkish Lira each, fully paid up	**180.58**	-
Investment in equity instruments of subsidiary at cost		
Unquoted equity instruments		
Daurala Foods & Beverages Private Limited 75,00,000 (March 31, 2021 - 75,00,000) equity shares of face value of Rs. 10 each, fully paid up	**447.40**	447.40
DCM Shriram Fine Chemicals Limited 50,000 (March 31, 2021-Nil) equity shares of face value of Rs. 2 each, fully paid up	**1.00**	-
Investments in equity shares of associate at cost		
Unquoted equity instruments		
DCM Hyundai Limited 19,72,000 (March 31, 2021 - 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	**166.00**	166.00
Sub total	**794.98**	613.40
Advance for share capital		
DCM Shriram Fine Chemicals Limited (Refer note 55)	**1,670.64**	-
Investments in preference shares of body corporate		
Unquoted instruments		
Preference shares measured at Fair value through Other comprehensive income		
Versa Trading Limited Nil (March 31, 2021 – 7,00,000) 5% redeemable non-cumulative preference shares of Rs. 100 each fully paid	**-**	700.00
Impairment in the value of investments		
Versa Trading Limited	**-**	700.00
Sub total	**-**	-
Total	**2,465.62**	613.40
Aggregate value of non-current unquoted investments (net of impairment)	**2,465.62**	613.40
Aggregate amount of impairment in the value of investments (Refer note 54)	**-**	700.00

* The investment is valued at Rs. 20

6. Loans- Non current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Loans to employees	**50.02**	32.80
Total	**50.02**	32.80

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

7. Other financial assets- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Security deposits (Unsecured, considered good)		
- To related parties (Refer note 45)	**28.85**	30.59
- Others	**431.70**	438.43
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**15.12**	123.59
	0.32	-
Total	**475.99**	592.61

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

8. Income tax assets (net)

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Advance income tax (net of provision)	**1,600.06**	1,728.25
Total	**1,600.06**	1,728.25

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To related parties (Refer note 45)		
Capital advances	**-**	7.47
To parties other than related parties		
Capital advances	**146.51**	731.93
Advance other than capital advances		
Deferred rent	**0.35**	0.78
Balance with government authorities	**4.18**	4.18
Other advances	**71.07**	11.54
Doubtful		
Other advances	**1.30**	1.30
	223.41	757.20
Less: Loss allowance for other advances	**1.30**	1.30
Total	**222.11**	755.90

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Raw material*	**9,494.16**	13,669.53
Work in progress	**2,568.58**	1,773.17
Finished goods**#	**44,745.27**	45,473.42
Stores and spares	**6,461.60**	5,115.84
Total	**63,269.61**	66,031.96

* Includes raw material in transit Rs. 905.26 lakhs (March 31, 2021: Rs. 1419.62 lakhs)

** Includes finished goods in transit Rs. 1,768.69 lakhs (March 31, 2021: Rs. 322.19 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. 203.45 lakhs (March 31, 2021: Nil) 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
19,784.626 (March 31, 2021: 44,064.755) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**827.94**	1,782.65
34,569.622 (March 31, 2021: 6,03,379.092) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	**108.98**	1,838.72
1,616.244 (March 31, 2021: 35,641.175) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**53.87**	1,148.21
Total	**990.79**	4,769.58
Aggregate book value and market value of unquoted investments	**990.79**	4,769.58

12. Trade receivables

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To parties other than related parties		
Unsecured, considered good	**25,495.06**	19,676.06
Doubtful	**24.87**	24.87
	25,519.93	19,700.93
Less : Loss allowance for trade receivables	**24.87**	24.87
Total	**25,495.06**	19,676.06

Ageing of trade receivable as on March 31, 2022 is as under:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Unsecured, Considered good	25,483.83	5.86	-	3.95	1.43	25,495.06
- Disputed Trade Receivables considered doubtful	-	-	-	-	24.87	24.87
Total	25,483.83	5.86	-	3.95	26.30	25,519.93

In case no due date of payment is specified, disclosure is from the date of the transaction.

Ageing of trade receivable as on March 31, 2021 is as under:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Unsecured, Considered good	19,670.64	0.05	3.95	1.43	-	19,676.07
- Disputed Trade Receivables considered doubtful	-	-	-	-	24.87	24.87
Total	19,670.64	0.05	3.95	1.43	24.87	19,700.93

In case no due date of payment is specified, disclosure is from the date of the transaction.

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Balances with banks		
- On current accounts	**683.39**	1,956.28
- Deposits with original maturity of less than three months	**126.45**	18.06
Cash on hand	**18.85**	11.56
Total	**828.69**	1,985.90

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

14. Other bank balances

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 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	**455.74**	1,015.48
Earmarked balances with banks – unclaimed dividend accounts	**199.03**	200.03
Total	**654.77**	1,215.51

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To parties other than related parties		
Loans to employees (including accrued interest)	**5.73**	8.57
Others	**0.06**	32.17
Total	**5.79**	40.74

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To related parties (Refer note 45)		
Security deposits	**-**	3.04
To parties other than related parties		
Security deposits	**0.03**	10.54
Interest accrued on term deposits	**45.78**	39.75
Government grant receivable	**181.37**	3,241.00
Reimbursement assets*	**15,550.43**	9,972.17
Others	**123.92**	83.15
Total	**15,901.53**	13,349.65

* 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To parties other than related parties		
Advances to contractors	**561.59**	482.40
Other advances		
Advance to employees	**16.03**	25.74
Balance with government authorities	**1,355.01**	1,557.85
Duty drawback & other incentive receivables	**848.05**	553.14
Prepaid expense	**365.08**	318.72
Advance to provident fund trust	**-**	196.38
Prepaid gratuity	**503.18**	189.57
Others	**74.23**	105.34
Doubtful		
Duty drawback and other incentive receivables	**22.67**	-
	3,745.84	3,429.14
Less: Loss allowance	**22.67**	-
Total	**3,723.17**	3,429.14

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

18. Equity share capital

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
a) Authorised		
32,50,00,000 equity shares of Rs. 2 each (March 31, 2021: 6,50,00,000 of Rs. 10 each) *	**6,500.00**	6,500.00
b) Issued, subscribed and fully paid-up		
8,69,92,185 equity shares of Rs. 2 each fully paid-up (March 31, 2021: 1,73,98,437 of Rs.10 each)	**1,739.84**	1,739.84

* **Sub-divided into 5 equity shares of Rs. 2 per share pursuant to approval received in Annual General Meeting of Shareholders held on September 08, 2021. (Refer Note: 57)**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
Adjustment for sub-division of equity shares	**6,95,93,748**	**-**	-	-
Add: Shares issued	-	-	-	-
At the end of the year pursuant to sub-division (Refer Note 57)	**8,69,92,185**	**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. 2 per share (sub-divided during the year from 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, 2022		As at March 31, 2021	
	Number of shares @ Rs 2 each	% of holding	Number of shares @ Rs.10 each	% of holding
Lily Commercial Private Limited	**1,57,51,765**	**18.11**	31,50,353	18.11
Versa Trading Limited	**1,28,87,910**	**14.82**	25,77,582	14.82
HB Portfolio Limited	**62,05,984**	**7.13**	17,72,120	10.19
Bantam Enterprises Private Limited	**67,84,840**	**7.80**	13,56,968	7.80
Life Insurance Corporation of India	**42,06,760**	**4.84**	11,61,352	6.68

f) Details of shareholding of Promoters in the Company is as under:

S. No.	Promoter Name	As at March 31, 2022			As at March 31, 2021		
		Number of shares @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs. 10 each	% of total shares	% Change during the year
1	Lily Commercial Pvt. Ltd.	**1,57,51,765**	**18.11**	-	31,50,353	18.11	0.90
2	Versa Trading Private Limited	**1,28,87,910**	**14.82**	-	25,77,582	14.82	2.03
3	Bantam Enterprises Pvt Ltd.	**67,84,840**	**7.80**	-	13,56,968	7.80	-
4	Hi-Vac Wares Private Limited	**39,66,285**	**4.56**	-	7,93,257	4.56	-
5	H. R. Travels Pvt. Ltd.	**32,12,900**	**3.69**	-	6,42,580	3.69	-
6	Suman Bansi Dhar	**2,84,060**	**0.33**	-	56,812	0.33	-
7	Lala Bansi Dhar & Sons	**2,69,580**	**0.31**	-	53,916	0.31	-
8	Madhav B Shriram	**1,88,880**	**0.22**	-	37,776	0.22	0.22
9	Alok B. Shriram	**80,180**	**0.09**	-	16,036	0.09	0.04
10	Urvashi Tilak Dhar	**61,685**	**0.07**	-	12,337	0.07	-
11	Kanika Shriram	**47,500**	**0.05**	-	9,500	0.05	0.03
12	DCM Hyundai Limited	**20,865**	**0.02**	-	4,173	0.02	-
13	Karuna Shriram	**21,730**	**0.02**	-	4,346	0.02	-
14	Rudra Shriram	**10,500**	**0.01**	-	2,100	0.01	0.01
15	Aditi Dhar	**500**	**0.00**	-	100	0.00	-
16	Akshay Dhar	**500**	**0.00**	-	100	0.00	-
17	Divya Shriram	**435**	**0.00**	-	87	0.00	-
	Total	**4,35,90,115**	**50.10**	-	**87,18,023**	**50.10**	**3.22**

g) 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, 2022 Rs. lakhs	As at March 31, 2021 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	**39,963.40**	34,115.86
Add: Profit for the year	**6,573.59**	6,588.88
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of employee benefit obligation, net of tax*	**181.90**	128.58
Less: Appropriations		
Final dividend on equity shares [Dividend per share Rs. 2.5/- per share of nominal value of Rs. 10/- each (March 31, 2021: Nil)]	**(434.96)**	-
Interim dividend on equity shares [Dividend per share Rs. 1/- per share of nominal value of Rs. 2/- each (March 31, 2021: Rs. 5/- per share of nominal value of Rs. 10/- each)]	**(869.92)**	(869.92)
Balance at the end of the year	**45,414.01**	39,963.40
Total	**63,697.77**	58,247.16

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

20. Borrowings- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 45)		
Unsecured loans		
Public Deposits	**437.04**	322.27
From parties other than related parties		
Secured loans		
Term loans from banks	**19,144.24**	17,370.46
Term loans from others	**562.74**	579.82
Unsecured loans		
Public deposits	**503.03**	461.10
	20,647.05	18,733.65
Less: Current maturity of long term borrowing	**7,745.60**	7,226.54
Total	**12,901.45**	11,507.11
Details of current maturity of long term borrowing:		
Secured loans		
Term loans from banks	**7,353.96**	6,941.75
Term loans from others	**93.03**	56.89
Unsecured loans		
Public deposits	**298.61**	227.90
	7,745.60	7,226.54

A. SECURED

I. From Banks

a) Rs.156.25 lakhs (March 31,2021: Rs.775.80 lakhs) and Rs.66.50 lakhs (March 31,2021: Rs.762.39 lakhs) carrying interest linked to lender's 3 months MCLR and spread thereon, repayable in one 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) Rs.104.07 lakhs (March 31,2021: Rs.315.81 lakhs) carrying interest of linked to lender's 1 year MCLR and spread thereon, repayable in 2 quarterly instalments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.

c) Rs.2,440.87 lakhs (March 31,2021: Rs.3,525.70 lakhs) carrying interest of 5% p.a., repayable in 27 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

d) Rs.531.77 lakhs (March 31,2021: Rs.794.76 lakhs), Rs.368.08 lakhs (March 31,2021: Rs.552.68 lakhs) and Rs.3,108.70 lakhs (March 31,2021: Rs.3,265.98 lakhs) carrying interest linked to lender's LTMLR, repayable in 8, 8 and 12 quarterly instalments, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

e) Rs.3,922.18 Lakhs (March 31,2021: Nil) carrying interest linked to lender's 12 month MCLR and spread thereon, repayable in 16 quarterly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

f) Rs.4,002.76 lakhs (March 31,2021: Nil) carrying interest of 8% p.a., repayable in 48 monthly instalments, is secured by first pari-passu charge by way of mortgage/hypothecation on all the Fixed Assets of the Company excluding assets on exclusive charges.

g) Rs.1,666.62 lakhs (March 31,2021: Rs.2,999.98 lakhs) and Rs.1406.25 lakhs (March 31,2021: Rs.2,031.25 lakhs) carrying interest rate of 8.95% p.a., repayable in 5 and 9 quarterly instalments, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

h) Rs.1,370.20 lakhs (March 31,2021: Rs.1975.11 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 9 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

i) Nil (March 31,2021: Rs.371.00 lakhs) carrying interest linked to lender's 6 Months MCLR and spread thereon repayable in 1 instalment, secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

j) Rs.39.80 lakhs (March 31,2021: Nil) is secured by hypothecation of specific assets carrying interest of 6.63%.

II. From Others

Rs.494.50 lakhs (March 31,2021: Rs.494.50 lakhs) and Rs.28.44 lakhs (March 31,2021: Rs.85.32) carrying interest linked to RBI's Bank rate minus 2%. respectively, repayable in 10 and 1 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.940.07 lakhs (March 31,2021: Rs.783.37 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.

C. The quarterly returns/statements filed by the Company with the banks are in agreement with the books of account of the Company.

21. Other financial liabilities- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 45)		
Interest accrued but not due on borrowings	**16.01**	16.05
From parties other than related parties		
Interest accrued but not due on borrowings	**14.20**	26.49
Deposits from contractors and others	**10.22**	10.15
Others	**53.80**	48.93
Total	**94.23**	101.62

22. Provisions- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	**1,029.43**	979.89
- Provident fund trust	**85.50**	198.45
Provision for contingencies*	**100.00**	100.00
Total	**1,214.93**	1,278.34

* Provision for contingencies of Rs. 100 lakhs (March 31, 2021: 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Others	**51.08**	52.60
Total	**51.08**	52.60

24. Borrowings- Current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**33,572.92**	29,861.20
Current maturities of long term borrowings (refer note 20)	**7,745.60**	7,226.54
Total	**41,318.52**	37,087.74

* Secured by first pari-passu charge against the division's current and non-current assets (except reimbursement asset and division's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the divisions's property, plant and equipment. These carry interest rate ranging from 1.15% to 8.05% p.a.. Also refer note 53.

25. Trade payables

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Total outstanding dues of Micro and Small Enterprises*	**1,263.91**	777.77
Total outstanding dues other than Micro and Small Enterprises#	**25,325.40**	33,412.95
Total	**26,589.31**	34,190.72

Ageing of trade payable as on March 31, 2022 is as under :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	**1,263.91**	**-**	**-**	**-**	**1,263.91**
- Others	**24,915.48**	**239.59**	**87.54**	**2.80**	**25,245.41**
- Disputed dues - Others	**-**	**-**	**-**	**79.98**	**79.98**
Total	**26,179.39**	**239.59**	**87.54**	**82.78**	**26,589.31**

In case no due date of payment is specified, disclosure is from the date of the transaction.

Ageing of trade payable as on March 31, 2021 is as under :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	777.77	-	-	-	777.77
- Others	32,665.91	607.71	11.61	47.73	33,332.96
- Disputed dues - Others	-	-	-	79.98	79.98
Total	33,443.68	607.71	11.61	127.71	34,190.72

In case no due date of payment is specified, disclosure is from the date of the transaction.

* Refer note 49 for Micro and Small Enterprises.

Includes payable to related parties Rs. 588.10 lakhs (March 31, 2021 Rs. 711.63 lakhs), refer note 45.

Notes:

a) Includes acceptances Rs. 3,285.60 lakhs (March 31, 2021 Rs. 3,854.16 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 45)		
Interest accrued but not due on borrowings	**16.37**	11.03
Creditors for capital purchases	**2.28**	-
From Parties other than Related Parties		
Creditors for capital purchases	**528.52**	964.27
Security deposits	**983.76**	26.84
Interest accrued but not due on borrowings	**114.29**	65.97
Unclaimed dividends*	**199.03**	200.03
Unclaimed deposits and interest accrued thereon	**8.01**	-
Other payables		
- Deposits from contractors and others	**353.45**	254.63
- Employees related payable	**1,006.96**	857.23
- Others	**24.62**	43.81
Total	**3,237.29**	2,423.81

* 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Provision for employee benefits (Refer note 44)		
- Compensated absences	**364.94**	409.01
- Provident fund trust	**-**	3.33
Provision for contingencies (Refer note 52)	**15,733.25**	10,572.51
Others*	**287.94**	201.73
Total	**16,386.13**	11,186.58

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

28. Other current liabilities

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Advances from customers	**504.51**	2,110.20
Statutory dues payable	**1,702.33**	1,051.41
Others	**161.76**	239.84
Total	**2,368.60**	3,401.45

29. Revenue from operations

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Sale of products@		
Export	**46,438.72**	40,414.39
Domestic #	**1,56,808.06**	1,42,051.51
	2,03,246.78	1,82,465.90
Sale of services@		
Processing charges	**5,259.37**	4,536.41
Others	**-**	39.31
	5,259.37	4,575.72
Other operating revenue		
Sale of scrap	**1,383.70**	819.25
Duty draw back, export benefits and other government assistance*	**1,254.40**	6,304.08
Sale of renewable energy certificates	**996.98**	33.22
Others	**170.59**	101.96
Total	**2,12,311.82**	1,94,300.13

Includes Rs. 1,356.01 lakhs (March 31, 2021: Rs.11,846.80 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Trade receivables (Refer note 12)	**25,495.06**	19,676.06
Contract liabilites		
Advances from customers (Refer note 28)	**504.51**	2,110.20

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

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Contracted price	**2,08,842.17**	1,87,631.61
Less: Discounts	**336.02**	589.99
	2,08,506.15	1,87,041.62

30. Other income

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Interest income from financial assets measured at amortised cost		
- From deposits with banks	**45.17**	69.81
- Unwinding of discount on security deposits	**0.56**	0.60
- Interest subsidy*	**299.58**	455.69
Provisions/liabilities no longer required, written back	**603.54**	272.18
Rental income	**54.42**	56.33
Profit on sale of property, plant and equipment (net)	**168.72**	-
Profit on sale of current investments	**27.81**	29.26
Net change in fair value of financial assets measured at fair value through profit or loss	**26.38**	82.89
Gain on foreign exchange fluctuation (net)	**959.01**	591.52
Miscellaneous income	**91.07**	82.41
Total	**2,276.26**	1,640.69

* Refer note 50.

31. Cost of material consumed

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Raw materials at the beginning of the year	**13,669.53**	6,580.64
Add: Purchases	**1,13,685.27**	1,13,931.25
	1,27,354.80	1,20,511.89
Less: Raw materials at the end of the year	**9,494.16**	13,669.53
Total	**1,17,860.64**	1,06,842.36
Particulars of materials consumed are as under:		
Sugarcane	**78,149.74**	81,077.49
Wood pulp	**8,715.79**	6,545.12
Others	**30,995.11**	19,219.75
Total	**1,17,860.64**	1,06,842.36

32. Purchase of traded goods

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Grain spirits	**19,479.66**	14,757.14
Total	**19,479.66**	14,757.14

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

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Opening 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
Closing stock		
Finished goods	**44,745.27**	45,473.42
Work-in-progress	**2,568.58**	1,773.17
Total	**47,313.85**	47,246.59
	(67.26)	8,579.13
Particulars of stocks of finished goods and work-in-progress are as under :		
Finished goods		
Sugar	**41,001.46**	38,280.99
Alcohol	**859.86**	5,524.81
Organic/ Fine chemicals	**456.66**	464.82
Industrial fibers	**2,427.30**	1,202.80
Total	**44,745.28**	45,473.42
Work-in-progress		
Sugar	**879.44**	616.10
Alcohol	**140.73**	59.76
Organic/ Fine chemicals	**890.98**	644.81
Industrial fibers	**657.43**	452.50
Total	**2,568.58**	1,773.17

34. Employee benefits expense

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Salaries, wages and bonus* #	**14,821.36**	12,800.90
Contribution to provident and other funds*	**1,289.79**	1,533.08
Staff welfare expenses	**411.14**	411.71
Total	**16,522.29**	14,745.69

* Refer note 44
\# Includes payment to contractual labour

35. Finance costs

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Interest expense*#	**3,924.58**	3,827.00
Other borrowing costs	**96.60**	146.88
Total	**4,021.18**	3,973.88

* Refer note 50
\# includes Rs. 179.77 lakhs interest on lease liabilities (March 31,2021:Rs.204.10 lakhs)

36. Depreciation and amortisation expense

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Depreciation on property, plant and equipment	**2,773.72**	2,348.80
Amortisation on intangible assets	**43.21**	39.79
Amortisation on right-of-use assets	**457.91**	527.87
Total	**3,274.84**	2,916.46

37. Other expenses

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Stores and spares	**12,612.13**	9,792.25
Power and fuel	**11,378.70**	7,999.70
Repair and maintenance		
- Buildings	**694.05**	722.64
- Plant and machinery	**6,271.14**	4,797.21
Rent*	**86.30**	133.08
Payment to auditors		
- Audit fee	**50.00**	40.00
- Limited review of unaudited financial results	**30.00**	37.50
- Verification of statements and other records	**2.00**	9.90
- Out-of-pocket expenses	**4.51**	3.31
Insurance	**296.69**	303.14
Rates and taxes	**222.96**	104.91
Freight and transport	**2,791.76**	1,590.69
Commission to selling agents	**2,232.97**	2,128.99
Loss on Export obligation**	**-**	600.00
Loss on sale of property, plant and equipment (net)	**-**	20.36
Donation	**-**	0.30
Corporate social responsibility (refer note below)	**183.66**	201.86
Provision for export benefits	**22.67**	-
Bad debts and advances written off	**-**	25.23
Miscellaneous expense #	**7,415.97**	5,616.30
Total	**44,295.51**	34,127.37

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Company during the year	**188.64**	165.50
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**183.66**	201.86
c) Amount unspent	**4.98** ***	-

* Refer note 40

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

*** Spent subsequent to March 31, 2022

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, 2022 and March 31, 2021 are:

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Current tax expense	**2,137.36**	2,930.03
Deferred tax charge	**490.28**	479.88
Income tax expense reported in the statement of profit and loss	**2,627.64**	3,409.91

B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**(97.71)**	(69.06)
Income tax charged to other comprehensive income/(expense)	**(97.71)**	(69.06)

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, 2022 and March 31, 2021:

(Rs.Lakhs)

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax from continuing operations, including OCI	**34.94%**	**9,480.83**	34.94%	10,196.43
Tax using the Company's domestic tax rate		**3,312.97**		3,563.04
Tax effect of:				
Non-deductible expenses	**0.51%**	**48.56**	0.80%	82.04
Impact on Deferred Tax due to change in tax rate for future years	**-3.95%**	**(374.03)**	-1.58%	(160.97)
Capital loss not expected to be set-off in near future	**-0.77%**	**(73.38)**	0.00%	-
Others	**-1.99%**	**(188.78)**	-0.05%	(5.14)
Effective tax rate	**28.75%**	**2,725.34**	34.12%	3,478.97

The Company continues to pay income tax under older tax regime and has not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit and other benefits under the Income Tax Act, 1961. The Company plans to opt for lower tax regime once these benefits are utilised, which is expected by financial year ending 2025. Accordingly, deferred tax liability on temporary differences which are expected to reverse after financial year ending 2025 have been re-measured in the current financial year.

D. Deferred tax assets/liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Accrued expense deductible on payment	**307.15**	249.41	-	-	**307.15**	249.41
Provision for gratuity, compensated absences and other employee benefits	**311.42**	419.08	-	-	**311.42**	419.08
Loss allowance for trade receivables	**8.69**	8.69	-	-	**8.69**	8.69
Loss allowance for other assets	**8.38**	0.45			**8.38**	0.45
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**-**	-	**7,360.11**	6,819.21	**(7,360.11)**	(6,819.21)
Others	**150.35**	170.03	**6.64**	21.24	**143.71**	148.79
	785.98	847.66	**7,366.75**	6,840.45	**(6,580.78)**	(5,992.79)
MAT credit entitlement **	**2,604.34**	3,183.01	-	-	**2,604.34**	3,183.01
Net Deferred tax liabilities	**3,390.32**	4,030.67	**7,366.75**	6,840.45	**(3,976.44)**	(2,809.78)

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

E. Movement in temporary differences

For the year ended 31 March 2022

(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	**249.41**	**57.74**	**-**	**307.15**
Provision for gratuity, compensated absences and other employee benefits	**419.08**	**(9.96)**	**(97.71)**	**311.42**
Loss allowance for trade receivables	**8.69**	**(0.00)**	**-**	**8.69**
Loss allowance for other assets	**0.45**	**7.93**	**-**	**8.38**
Others	**170.03**	**(19.68)**	**-**	**150.35**
	847.66	**36.02**	**(97.71)**	**785.98**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**(6,819.21)**	**(540.90)**	**-**	**(7,360.11)**
Others	**(21.24)**	**14.60**	**-**	**(6.64)**
	(6,840.45)	**(526.30)**	**-**	**(7,366.75)**
Total	**(5,992.79)**	**(490.28)**	**(97.71)**	**(6,580.78)**

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/ 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)

F. Availability of MAT Credit is upto:

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Financial year	**Amount**	Amount
2028-29	**-**	430.09
2029-30	**133.33**	281.91
2030-31	**851.08**	851.08
2032-33	**996.93**	996.93
2033-34	**623.00**	623.00
	2,604.34	3,183.01

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 alcohol
Industrial fibres and related products	Comprising rayon, synthetic yarn, cord, fabric etc.
Chemicals	Comprising organics and 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Segment revenue										
- External revenues	**1,27,525.83**	1,15,972.37	**43,040.83**	32,892.63	**37,939.49**	38,176.62	**-**	-	**2,08,506.16**	1,87,041.62
- Inter segment revenue	**-**	-	**-**	-	**-**		**-**	-	**-**	-
- Other operating revenue	**2,288.51**	5,969.57	**1,154.81**	852.98	**362.35**	435.96	**-**	-	**3,805.67**	7,258.51
Subtotal	**1,29,814.34**	1,21,941.94	**44,195.64**	33,745.61	**38,301.85**	38,612.58	**-**	-	**2,12,311.82**	1,94,300.13
- Other income	**399.15**	322.10	**846.22**	564.94	**129.25**	114.19	**-**	(2.40)	**1,374.62**	998.83
- Unallocable income									**901.64**	641.86
Total revenue	**1,30,213.49**	1,22,264.04	**45,041.86**	34,310.55	**38,431.09**	38,726.77	**-**	(2.40)	**2,14,588.08**	1,95,940.82
Segment results	**7,969.88**	7,637.63	**4,543.46**	3,066.42	**3,851.26**	6,662.36	**-**	-	**16,364.60**	17,366.41
Unallocated expenses (net of unallocated income)									**3,142.22**	3,393.74
Operating profit									**13,222.41**	13,972.67
Finance costs									**4,021.19**	3,973.88
Profit before tax									**9,201.22**	9,998.79
Current tax expense									**2,137.36**	2,930.03
Deferred tax (credit)/ charge									**490.28**	479.88
Net profit after tax									**6,573.59**	6,588.88
Capital expenditure during the year	**7,097.76**	1,944.23	**2,012.49**	1,443.02	**3,826.00**	2,228.15	**-**	-	**12,936.25**	5,615.40
Unallocated capital expenditure during the year									**247.19**	283.62
Total capital expenditure during the year									**13,183.44**	5,899.02
Depreciation and amortisation	**1,052.29**	893.37	**1,033.95**	937.75	**606.77**	500.30	**-**	-	**2,693.01**	2,331.42
Unallocated depreciation during the year									**581.74**	585.04
Total depreciation during the year									**3,274.74**	2,916.46
Non cash expense other than depreciation	**0.20**	2.19	**54.80**	25.75	**0.75**	24.33	**-**	-	**55.75**	52.27
Unallocated non cash expenses other than depreciation during the year									**7.48**	2.42
Total non cash expenses other than depreciation during the year									**63.23**	54.69

(Rs.Lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Segment assets	**1,00,707.85**	95,475.24	**41,484.86**	36,655.70	**23,459.52**	19,966.17	**-**	-	**1,65,652.23**	1,52,097.11
Unallocated assets									**9,701.03**	14,102.78
Total assets	**1,00,707.85**	95,475.24	**41,484.86**	36,655.70	**23,459.52**	19,966.17	**-**	-	**1,75,353.26**	1,66,199.89
Segment liabilities	**30,985.88**	35,143.82	**11,010.50**	9,835.41	**6,047.08**	5,804.54	**-**	-	**48,043.46**	50,783.77
Share capital and reserves									**65,437.61**	59,987.00
Unallocated liabilities										
-Borrowings									**54,388.81**	48,714.40
-Others									**7,483.38**	6,714.72
Total liabilities	**30,985.88**	35,143.82	**11,010.50**	9,835.41	**6,047.08**	5,804.54	**-**	-	**1,75,353.26**	1,66,199.89
Capital employed	**69,721.96**	60,331.42	**30,474.36**	26,820.29	**17,412.45**	14,161.63	**-**	-	**1,17,608.78**	1,01,313.34

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

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
i Revenues		
Total revenue for reportable segments	**2,13,686.44**	1,95,301.36
Unallocated amounts:		
Revenue for other segments	**901.64**	641.86
Inter-segment elimination	**-**	(2.40)
Total revenue	**2,14,588.08**	1,95,940.82

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
ii Profit before tax		
Total profit before tax for reportable segments	**16,364.60**	17,366.41
Unallocated cost:		
Finance costs	**(4,021.18)**	(3,973.88)
Other unallocated amounts	**(3,142.22)**	(3,393.74)
Profit before tax as per statement of profit and loss	**9,201.22**	9,998.79

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
iii Assets		
Total assets for reportable segments	**1,65,652.23**	1,52,097.11
Unallocated amounts:		
Investments	**3,456.41**	5,382.98
Corporate assets	**6,244.62**	8,719.80
Total assets as per the balance sheet	**1,75,353.26**	1,66,199.89

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
iv Liabilities		
Total liabilities for reportable segments	**48,043.46**	50,783.77
Unallocated amounts:		
Share capital	**1,739.84**	1,739.84
Reserves and Surplus	**63,697.77**	58,247.16
Unallocated corporate liabilities	**61,872.19**	55,429.12
Total liabilities as per the balance sheet	**1,75,353.26**	1,66,199.89

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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
i Revenues		
(a) India	**1,68,148.96**	1,55,528.83
(b) Other countries		
Europe	**17,221.60**	12,797.44
China	**12,383.61**	12,414.41
Rest of the World	**16,833.92**	15,202.54
Total (b)	**46,439.12**	40,414.39
(c) Inter-segment elimination	**-**	(2.40)
Total (a+b+c)	**2,14,588.08**	1,95,940.82

		For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
ii	**Assets**		
	(a) India	**1,59,949.36**	1,55,401.83
	(b) Other countries		
	Europe	**7,167.92**	2,993.04
	China	**4,141.67**	3,363.91
	Rest of the World	**4,094.31**	4,441.11
	Total (b)	**15,403.90**	10,798.06
	Total (a+b)	**1,75,353.26**	1,66,199.89

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 1, 2021	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2022
Building	2,001.58	56.94	50.76	457.91	1,549.85
	2,001.58	**56.94**	**50.76**	**457.91**	**1,549.85**

Particulars	Opening as on April 1, 2020	Additions during the year	Deletions during the year	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

The Company incurred Rs. 86.30 lakhs (March 31, 2021: Rs.133.08 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Opening balance	**2,173.14**	2,568.94
Additions	**56.76**	159.52
Deletions	**(51.37)**	(171.73)
Amount recognised in statement of profit and loss as interest expense	**179.77**	204.10
Payment of lease liability	**(580.64)**	(587.69)
Closing balance	**1,777.66**	2,173.14

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

Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Within one year	**451.40**	399.15
Within one-five years	**1,217.79**	1,631.98
Above five years	**108.46**	142.01
Closing balance	**1,777.66**	2,173.14

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

A. Contingent liabilities*

Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Income tax matters	**10,548.70**	4,356.09
Excise and Service tax matters	**23.58**	39.20
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**950.81**	925.00
Sales tax matters	**15.46**	55.06
Sugarcane related matters	**4,545.26**	4,545.26
Total	**16,083.81**	9,920.61

* 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. 722.96 lakhs (March 31, 2021: Rs. 5265.85 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, 2022	For the year ended March 31, 2021
Profit after tax attributable to equity shareholders	**Rs. Lakhs**	**6,573.59**	6,588.88
Weighted average number of equity shares outstanding during the year*	**Numbers**	**8,69,92,185**	8,69,92,185
Nominal value per share*	**Rs.**	**2**	2
Basic and diluted earnings per share	**Rs.**	**7.56**	7.57

* Refer note 57

44. Employee benefits

A. Defined Contribution plans

Rs. 110.52 lakhs (March 31, 2021: Rs. 127.13 lakhs) for provident fund contribution and Rs. 204.69 lakhs (March 31, 2021: Rs. 174.36 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Net Gratuity liability / (asset)	**(503.18)**	(189.57)
Non current	**-**	-
Current	**(503.18)**	(189.57)

(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**4,086.73**	3,991.92
Current service cost	**264.84**	260.63
Interest cost	**277.90**	271.45
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**(117.03)**	-
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**54.61**	224.89
Benefits paid	**(452.70)**	(662.16)
Balance at the end of the year	**4,114.35**	4,086.73

(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**4,276.30**	3,555.40
Expected return on plan assets	**290.79**	241.76
Contribution by the Company	**19.22**	14.40
Benefits paid	**(121.63)**	(28.52)
Actuarial gains / (losses) recognised in other comprehensive income	**152.85**	493.26
Balance at the end of the year	**4,617.53**	4,276.30

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Current service cost	**264.84**	260.63
Interest cost	**277.90**	271.45
Expected return on plan assets	**(290.79)**	(241.76)
Actuarial (gains) / losses recognised in other comprehensive income	**(215.28)**	(268.37)
	36.67	21.95

(iv) Constitution of plan assets

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with Life Insurance Corporation of India*	**4,617.53**	4,276.30

* 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Actuarial gain / (loss) on plan assets	**152.85**	493.26
Actuarial gain / (loss) arising from changes in financials assumptions	**117.03**	-
Actuarial gain / (loss) arising from changes in experience adjustments	**(54.61)**	(224.89)

(vi) Actuarial assumptions

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assumptions		
Discount rate	**7.22%**	6.80%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**6.80%**	6.80%
Expected average remaining working lives of employees (years)	**17.48**	17.31
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, 2023 are Rs. 206.64 lakhs (March 31, 2022: Rs. 219.75 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, 2022 Rs. lakhs**		For the year ended March 31, 2021 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(127.64)**	**136.57**	(127.42)	136.34
Future salary growth (0.50%)	**138.32**	**(130.36)**	138.08	(130.13)

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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Within 1 year	**556.02**	629.47
1 year to 5 years	**1,557.21**	1,505.47
More than 5 years	**2,001.12**	1,951.79

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2022 works out to Rs. 1177.76 lakhs (31 March 2021: Rs. 1,174.72 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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Net Provident Fund liability / (asset)	**85.50**	201.78
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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**14,038.94**	15,037.85
Current service cost	**415.46**	371.03
Contribution by plan participants / employees	**1,003.17**	1,129.88
Interest cost	**1,084.96**	1,187.44
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**(1.62)**	-
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**(110.71)**	(24.30)
Benefits paid	**(2,166.50)**	(3,662.96)
Balance at the end of the year	**14,263.70**	14,038.94

(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**13,837.17**	14,908.84
Expected return on plan assets	**1,084.96**	1,185.39
Contribution by the Company	**415.46**	371.03
Contribution by plan participants / employees	**1,003.17**	1,129.88
Benefits paid	**(2,166.50)**	(3,662.95)
Actuarial gains / (losses) recognised in other comprehensive income*	**(48.00)**	(95.03)
Shortfall funded by the Company	**51.95**	-
Balance at the end of the year	**14,178.20**	13,837.17

* Includes Rs. (61.00) lakhs (March 31, 2021: Rs.98.30 lakhs) on account of (reversal of provision) / provision on investments.

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Current service cost	**415.46**	371.03
Interest cost	**-**	2.05
Net cost	**415.46**	373.08

(iv) Remeasurements recognized in other comprehensive income

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Gain/(Loss) recognised in other comprehensive income	**64.33**	(70.73)

(v) Actuarial assumptions

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

Particulars	**As at March 31, 2022**	As at March 31, 2021
Financial assumptions		
Discount rate	**7.22%**	6.80%
Expected statutory interest rate	**8.10%**	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.

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, 2022 Rs. lakhs**		For the year ended March 31, 2021 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(4.27)**	**4.50**	(4.86)	5.11

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
DCM Shriram Fine Chemicals Limited (w.e.f. 29.09.2021)

Associate

DCM Hyundai Limited

Key management personnel

Mr. S. B. Mathur, Chairman
Mr. Alok B. Shriram, Senior Managing Director
Mr. Madhav B. Shriram, Managing Director
Mrs. Urvashi Tilak Dhar, Director
Mr. Vineet Manaktala, Director & CFO (w.e.f. 01.07.2021)
Mr. N. K.Jain, Director & CFO (upto 30.06.2021)
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. Y. D. Gupta, Vice President & Company Secretary
Mr. Mukesh Gupta, Nominee Director (w.e.f. 01.10.2020 and upto 14.03.2022)
Ms. Mini Ipe, LIC Nominee Director (w.e.f. 30.03.2022)
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
Ms. Umika Shriram
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
Mrs. K. Rao
Mrs. Amita Manaktala
Mrs. Astha Manaktala
Mr. Mohit Manaktala

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
DCM Containers & Engineering Private Limited (w.e.f. 23.06.21)
(Formerly Hindustan Vaccum Glass Private Limited)
Kirloskar Corrocoat Private Limited
Lily Commercial Private Limited
Hi-Vac Wares Private Limited
Fives Cail – KCP Limited
Versa Trading Limited

B. Transactions with related parties:

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel	**181.86**	196.73
Bantam Enterprises Private Limited	**30.59**	34.55
H.R. Travels Private Limited	**9.18**	9.18
DCM Containers & Engineering Private Limited	**0.90**	0.75
Total	**222.53**	241.21
Interest expense		
Key management personnel	**11.87**	10.74
Relatives of Key management personnel	**27.45**	19.06
Independent Directors & their relatives/HUF	**3.75**	3.75
Total	**43.07**	33.55
Other expenses		
DCM Containers & Engineering Private Limited	**30.00**	83.95
Kirloskar Corrocoat Private Limited	**4.03**	11.76
Fives Cail – KCP Limited	**6.51**	-
Others	**-**	1.08
Total	**40.54**	96.79
Purchase of property, plant and equipment		
DCM Containers & Engineering Private Limited	**62.54**	277.58
Fives Cail – KCP Limited	**204.26**	-
Total	**266.80**	277.58
Investment in share capital		
DCM Shriram Fine Chemicals Limited	**1.00**	-
Sale of property, plant and equipment		
DCM Shriram Fine Chemicals Limited	**1,512.25**	-
Payments made on behalf of/to subsidiary		
DCM Shriram Fine Chemicals Limited	**171.11**	-
Equity dividend paid		
Associate	**0.31**	0.21
Key management personnel	**4.96**	1.66
Relatives/HUF of key management personnel	**9.53**	6.00
Bantam Enterprises Private Limited	**101.77**	67.85
Lily Commercial Private Limited	**236.28**	154.49
H.R. Travels Private Limited	**48.20**	32.13
Hi-Vac Wares Private Limited	**59.49**	39.66
Versa Trading Limited	**193.32**	128.88
	653.86	430.87
Public deposits received		
Key management personnel	**-**	74.76
Relatives of key management personnel	**122.00**	-
Total	**122.00**	74.76
Amount received from sale of preference shares		
Key management personnel	**84.98**	-
Relatives of Key Management Personnel	**169.96**	-
Bantam Enterprises Private Limited	**235.06**	-
Total	**490.00**	-
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs. Anita Gupta	**3.04**	-
Mrs. Manju Jain	**4.56**	-
Total	**7.60**	-

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Public deposits paid		
Relatives of key management personnel	**-**	44.76
Salaries and bonus including contributions made to provident fund		
Key management personnel		
Mr. Alok B.Shriram	**296.52**	329.27
Mr. Madhav B.Shriram	**296.52**	329.42
Mrs. Urvashi Tilak Dhar	**278.24**	273.51
Mr. Vineet Manaktala	**39.02**	-
Mr. N. K. Jain	**33.60**	56.83
Mr. Y. D. Gupta	**42.07**	30.10
Relatives of key management personnel	**197.25**	116.32
Total	**1,183.22**	1,135.45
Post-employment defined benefit plan		
Gratuity		
Key management personnel		
Mr. Alok B.Shriram	**(8.76)**	5.88
Mr. Madhav B.Shriram	**(3.33)**	5.78
Mrs. Urvashi Tilak Dhar	**2.71**	3.13
Mr. Vineet Manaktala	**4.08**	-
Mr. N.K. Jain	**-**	2.00
Mr. Y.D. Gupta	**2.74**	3.66
Relatives of key management personnel	**2.92**	16.79
Total	**0.36**	37.24
Other long term defined benefit plan		
Compensated absences		
Key management personnel		
Mr. Alok B.Shriram	**7.02**	7.43
Mr. Madhav B.Shriram	**6.90**	6.58
Mrs. Urvashi Tilak Dhar	**6.22**	6.78
Mr. Vineet Manaktala	**4.73**	-
Mr. N.K. Jain	**-**	1.13
Mr. Y.D. Gupta	**2.75**	(1.74)
Relatives of key management personnel	**(0.70)**	16.42
Total	**26.92**	36.60
Commission to Independent Directors		
Mr. P. R. Khanna	**13.72**	15.86
Mr. S. B. Mathur	**14.56**	16.85
Mr. Ravinder Narain	**12.04**	13.91
Mr. S. C. Kumar	**13.72**	15.87
Mrs. Kavitha Dutt Chitturi	**12.88**	14.88
Mr. Sanjay C. Kirloskar	**11.20**	12.92
Mr. Mukesh Gupta	**9.52**	10.96
Mr. Manoj Kumar	**11.20**	11.46
Total	**98.84**	112.71
Total compensation paid to key management personnel	**1,309.34**	1,322.00
Post-employment defined benefit plan contribution paid to provident fund		
Trusts	**1,418.63**	1,500.91
Gratuity		
Trust	**19.21**	14.40
Other long term defined contribution plan superannuation		
Trust	**176.07**	174.35

Balances with related parties (Rs. lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposit receivable		
Relatives/HUF of key management personnel	**23.54**	28.32
Bantam Enterprises Private Limited	**5.31**	5.31
Total	**28.85**	33.63
Advance for share capital		
DCM Shriram Fine Chemicals Limited	**1,670.64**	-
Other advances		
Employees' Provident Fund Trust, DCM Shriram Industries Limited	**-**	196.38
Capital advances		
DCM Containers & Engineering Private Limited	**-**	7.47
Capital creditors		
DCM Containers & Engineering Private Limited	**2.28**	-
Payables		
Public deposits including interest accrued		
Key management personnel	**111.87**	110.74
Relatives/HUF of key management personnel	**320.06**	201.11
Independent Directors & their relatives	**37.50**	37.50
Total	**469.43**	349.35
Provisions		
Daurala Organics Limited Employees' Provident Fund Trust	**85.50**	201.78
Trade payables		
DCM Containers & Engineering Private Limited	**-**	23.54
Kirloskar Corrocoat Private Limited	**-**	1.80
Sitting fees to Indepdendent Directors	**5.94**	4.63
Commission to Independent Directors	**98.84**	112.71
Remuneration to key management personnel	**483.32**	568.95
	588.10	711.63

Note:
Transactions with the related parties are made on normal commercial terms and conditions and at market rates, to be settled in cash except advance for share capital (refer note 55)

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, 2021 (Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	32.80	32.80	-	-	-
(ii) Other financial assets*	-	-	592.61	592.61	-	-	-
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*	-	-	40.74	40.74	-	-	-
(vi) Other financial assets*	58.87	-	13,290.78	13,349.65	58.87	-	-
Total	4,828.45	-	36,834.40	41,662.84			

continued on next page

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
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			

ii. As on March 31, 2022 (Rs. lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Loans*	-	-	50.02	50.02	-	-	-
(ii) Other financial assets*	-	-	475.99	475.99	-	-	-
Current							
(i) Investments* Debt instrument (Mutual funds)	990.79	-	-	990.79	990.79	-	-
(ii) Trade receivables*	-	-	25,495.06	25,495.06	-	-	-
(iii) Cash and cash equivalents*	-	-	828.69	828.69	-	-	-
(iv) Other bank balances*	-	-	654.77	654.77	-	-	-
(v) Loans*	-	-	5.79	5.79	-	-	-
(vi) Other financial assets*	31.87	-	15,869.66	15,901.53	31.87	-	-
Total	1,022.66	-	43,379.98	44,402.64			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	20,647.05	20,647.05	-	-	20,647.05
(ii) Lease liabilities*	-	-	1,326.26	1,326.26	-	-	-
(iii) Other financial liabilities*	-	-	94.23	94.23	-	-	-
Current							
(i) Borrowings#	-	-	33,572.92	33,572.92	-	-	-
(ii) Lease liabilities*	-	-	451.40	451.40	-	-	-
(iii) Trade payables*	-	-	26,589.31	26,589.31	-	-	-
(iv) Other financial liabilities*	-	-	3,237.29	3,237.29	-	-	-
Total	-	-	85,918.45	85,918.45			

\# 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, 2022 and March 31, 2021.

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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Investments	**3,456.41**	5,382.98
Trade receivables	**25,495.06**	19,676.06
Cash and cash equivalents	**828.69**	1,985.90
Other bank balances	**654.77**	1,215.51
Loans	**55.82**	73.54
Other financial assets	**16,377.51**	13,942.26

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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
1-90 days past due *	**755.38**	2,148.91
91 to 180 days past due	**17.55**	43.01
More than 180 days past due #	**36.10**	9.05
Not due	**24,710.90**	17,475.09
	25,519.93	19,676.06

* 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, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**24.87**	29.97
Impairment loss recognised / (reversed)	**-**	(5.10)
Amount written off	**-**	-
Balance at the end of the year	**24.87**	24.87

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. 1483.46 lakhs as at March 31, 2022 (March 31, 2021 Rs. 3201.41 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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
From banks	**9,674.56**	14,350.88

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, 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	37,087.74	37,087.74			37,087.74
Lease liabilities	399.15	399.15	-	-	399.15
Trade payables	34,190.72	34,190.72	-	-	34,190.72
Other financial liabilities	2,423.81	2,423.81	-	-	2,423.81
Total	**87,484.14**	**74,101.42**	**13,092.36**	**290.36**	**87,484.14**

(Rs. lakhs)

As at March 31, 2022	**Carrying amount**	**Contractual cash flows**			
		0-1 year	**1-5 years**	**More than 5 years**	**Total**
Non-current liabilities					
Borrowings*	**12,901.45**	**-**	**12,852.00**	**49.45**	**12,901.45**
Lease liabilities*	**1,326.26**	**-**	**1,217.79**	**108.47**	**1,326.26**
Other financial liabilities	**94.23**	**-**	**94.23**	**-**	**94.23**
Current liabilities					
Borrowings	**41,318.52**	**41,318.52**	**-**	**-**	**41,318.52**
Lease liabilities	**451.40**	**451.40**	**-**	**-**	**451.40**
Trade payables	**26,589.31**	**26,589.31**	**-**	**-**	**26,589.31**
Other financial liabilities	**3,237.29**	**3,237.29**	**-**	**-**	**3,237.29**
Total	**85,918.45**	**71,596.52**	**14,164.01**	**157.92**	**85,918.45**

* 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, 2022 and March 31, 2021.

(Rs. Lakhs)

Particulars	As at March 31, 2022		
	USD	EURO	GBP
Financial assets			
Trade receivables*	**4,555.05**	**3,467.18**	**-**
Advance to contractors	**21.12**	**6.20**	**-**
	4,576.17	**3,473.38**	**-**
Financial liabilities			
Borrowings	**2,406.49**	**263.21**	**-**
Trade payables	**4,955.88**	**520.94**	**3.43**
	7,362.37	**784.15**	**3.43**

(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
Financial liabilities	1,208.37	1,622.10	10.13
Borrowings	1,705.26	87.15	-
Trade payables	6,378.18	423.47	3.80
	8,083.44	510.62	3.80

* 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, 2022 (previous year ended as on March 31, 2021) 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, 2022				
USD	**(27.86)**	**27.86**	**(18.13)**	**18.13**
EUR	**26.89**	**(26.89)**	**17.50**	**(17.50)**
GBP	**(0.03)**	**0.03**	**(0.02)**	**0.02**
	(1.01)	**1.01**	**(0.66)**	**0.66**
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

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD/INR Sell Forward	130	82	188.24	111.72	14,479.37	8,293.30	-	-
EUR/INR Sell Forward	9	4	22.46	5.95	1,912.25	512.18	-	-
EUR/USD Sell Forward	5	3	13.19	4.77	1,117.52	407.49	-	-
USD/INR Buy Forward	5	3	6.12	4.21	478.13	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 loans (including Cash Credit) 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**654.77**	1,215.51
Loans	**5.79**	40.74
Other Financial assets	**15,901.53**	13,349.65
Total	**16,562.09**	**14,605.90**
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**10,039.45**	9,136.74
Public Deposits	**940.07**	783.37
Variable-rate instruments		
Term loans	**9,667.52**	8,813.54
Cash Credit	**33,572.92**	29,861.20
Total	**54,219.96**	**48,594.85**

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, 2022				
Interest on term loans	(96.68)	96.68	(62.89)	62.89
Interest on cash credits	(335.73)	335.73	(218.41)	218.41
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

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 monitors capital structure through gearing ratio represented by debt-equity ratio (Net debt/Total equity). The gearing ratios for the company as at the end of reporting period were as follows:

Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Borrowings	**54,219.96**	48,594.85
Less : Cash and cash equivalent	**(828.69)**	(1,985.90)
Adjusted net debt (A)	**53,391.28**	46,608.95
Total equity (B)	**65,437.61**	59,987.00
Adjusted net debt to adjusted equity ratio (A/B)	**81.59%**	**77.70%**

48. Research and development expenses amounting to Rs. 311.87 lakhs (March 31, 2021: Rs. 349.18 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 38.63 lakhs (March 31, 2021: Rs. 87.91 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year. - Principal amount - Interest due thereon	 **1,263.91** **-**	 777.77 -
(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Subvention on loan interest	Other income	**70.70**	146.15
Interest subsidy in respect of loan at concessional rate	Other income	**228.89**	309.54
Grant for payment of cane dues subject to fulfillment of sugar export obligation and other conditions	Other operating revenue	**273.48**	5,359.68
Duty drawback and other incentive (net of provision)	Other operating revenue	**958.24**	944.40
Subsidy against maintenance of buffer stock	Miscellaneous expense	**-**	73.61
Subsidy against maintenance of buffer stock	Interest expense	**-**	451.96

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

Particulars	Amount as on March 31, 2022	Amount as on March 31, 2021	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Property, Plant and Equipment Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	844.04 *	844.04 *	No	**1991**	Vested in the Company pursuant to a Scheme of Arrangement of erstwhile DCM Limited. (Undisputed)
Land situated at Daurala, UP	44.95	44.95	No	**2005**	Vested in the Company pursuant to merger of Daurala Organics Limited under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court. (Undisputed)
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 previous year and therefore presently there is no outstanding demand in respect of these period.

Further, 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. 3,417.52 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. 15,733.25 lakhs (net of amount paid under protest of Rs.3,417.52 lakhs) as at March 31, 2022 (Rs 10,572.51 lakhs as at March 31, 2021). Basis the undertaking from the buyer, the Company has recognized reimbursement assets amounting to Rs. 15,550.43 lakhs (net of amount already received of Rs. 3,600.34 lakhs) as at March 31, 2022 (Rs. 9,972.17 lakhs as at March 31, 2021) under "Other financial assets (current)".

The above does not have any impact on the profit of the Company.

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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Current assets			
Inventories	10	**63,269.61**	66,031.96
Investments	11	**-**	4,769.58
Trade receivables	12	**25,495.06**	19,676.06
Cash and cash equivalents	13	**794.12**	1,985.90
Other bank balances	14	**400.46**	955.25
Loans	15	**3.80**	40.74
Other financial assets	16	**347.62**	3,377.48
Other current assets	17	**3,076.36**	3,429.14
Total (I)		**93,387.03**	1,00,266.11
Non-current asset			
Property, plant and equipment	3	**54,540.25**	47,463.88
Capital work-in progress	3	**3,256.06**	2,353.41
Intangible assets	4	**323.89**	98.55
Intangible assets under development	4	**-**	60.97
Loans	6	**26.75**	32.80
Other financial assets	7	**398.29**	592.61
Income-tax assets (net)	8	**43.69**	1,728.25
Other non-current assets	9	**222.11**	755.90
Total (II)		**58,811.04**	53,086.37
Grand Total (I&II)		**1,52,198.07**	1,53,352.48

54. During the year 7,00,000 5% Redeemable Non-Cumulative Preference Shares of Rs. 100 each in Versa Trading Limited aggregating to Rs. 700 Lakhs, which were fully impaired in an earlier year, were sold for Rs. 490 Lakhs. Consequently, to that extent, provision for impairment was reversed and included in “Provisions/Liabilities no longer required, written back” in Note 30 “Other Income”.

55. During the year the Company was allotted approx. 20 Acres of Land at Dahej Industrial Area II, Gujarat by Gujrat Industrial Development Corporation (GIDC) for setting up a Chemical Plant. The Board of Directors decided to take up the project in a Special Purpose Vehicle and accordingly a new Company, DCM Shriram Fine Chemicals Limited (DSFCL), was incorporated on September 29, 2021 as a wholly owned subsidiary. The Initial paid up capital of Rs. 1.00 lakh, comprising 50,000 equity shares of Rs. 2 each in DSFCL, fully subscribed by the Company. The allotment of land was transferred to the wholly owned subsidiary with the approval of GIDC pending execution of lease deed. The funds for payment towards Land, other assets and expenses including GST thereon will be repaid by the DSFCL by issue of its equity share capital to the Company and accordingly, an amount of Rs. 1,670.64 lakhs recoverable as on 31 March 2022, has been shown as “Advances against Share Capital” and included in Note no. 5 “Investment – Non Current”.

56. Financial Ratios:

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
(a) Current Ratio	Current assets	Current liabilities	**1.2**	1.2	-1.5%
(b) Debt- Equity Ratio	Total Debt	Total Equity	**0.8**	0.8	2.3%
(c) Debt Service Coverage Ratio	Earnings available for debt service*	Scheduled Debt Service	**1.5**	1.6	-2.3%
(d) Return on Equity Ratio	Net Profits after taxes	Average Share-holder's Equity	**10.5%**	11.5%	-9.2%
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	**2.1**	2.0	7.9%
(f) Trade Receivable Turn-over Ratio	Revenue	Average Trade Receivable	**9.4**	10.2	-7.8%
(g) Trade Payable Turnover Ratio	Purchases and other expenses	Average Trade Payables	**5.2**	5.4	-4.0%
(h) Net Capital Turnover Ratio	Revenue	Working Capital	**10.3**	8.9	16.1%
(i) Net Profit Ratio	Net Profit	Total Income	**3.1%**	3.4%	-8.9%
(j) Return on Capital Em-ployed	Earning before interest and taxes	Average Capital Employed #	**15.5%**	17.5%	-11.5%
(k) Return on Investment	Income generated from investments	Time weighted aver-age investments	**3.4%**	3.6%	-4.5%

* PBT + Depreciation + Interest on Term Loan - Taxes Paid

Tangible net worth + Long term debt + Deferred tax liabilities

57. Upon approval of the proposal for sub-division of the face value of the equity shares in the Company from Rs. 10 per share to 5 equity shares of Rs. 2 per share at the AGM held on 8 September 2021, the trading in the sub-divided shares was commenced on 8 October 2021 (Ex-date) and accordingly earnings per share has been computed/restated for all the periods presented.

58. Additional Regulatory information:

i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.

ii) The Company does not have any transactions with struck off companies.

iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

viii)The Company has not been declared as a wilful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.

ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group.

59. The figures of the previous year/periods have been regrouped/reclassified wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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 subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries 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 2022, 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 Matter

Determination of carrying value of inventory of sugar and the related products as at 31 March 2022 See note 2A(d) and 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As on March 31, 2022, the Holding Company had an inventory of sugar and related products, i.e., molasses, ethanol, etc., with a carrying value of INR 47,420.16 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 net realizable value (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 the process followed by the management and tested Company's key controls 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.

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 consolidated financial statements and our auditor's report thereon.

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 such entities or business activities within the Group and its associate 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 such entities 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 and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 two subsidiaries, whose financial statements reflect total assets of Rs. 3,570.97 lakhs as at 31 March 2022, total revenues of Rs. 57.53 lakhs and net cash outflows amounting to Rs. 5.59 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 profit after tax of Rs. 43.45 lakhs and other comprehensive income after tax of Rs. 2.64 lakhs for the year ended 31 March 2022, 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 these subsidiaries, joint ventures, joint operations and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries 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 and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (" the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiaries 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 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate company, incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2022 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 companies and associate company and joint ventures and joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 subsidiaries and associate, as noted in the 'Other Matters' paragraph:

i The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its associate. Refer Note 42 to the consolidated financial statements.

ii The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

iii There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate company incorporated in India during the year ended 31 March 2022.

iv a) The respective managements of the Company and its subsidiaries, which are incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 61 (v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively, that, to the best of its knowledge and belief, as disclosed in the note 61(vi) to accounts, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

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 subsidiary companies and associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies 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 companies and associate company is not in excess of the limit 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: 22090075AJWNYY5037

Place: New Delhi
Date: 30 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

Clause (xxi) of Companies (Auditor's Report) Order, 2020

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 22090075AJWNYY5037

Place: New Delhi
Date: 30 May 2022

Annexure A to the Independent Auditor's report on the consolidated financial statements of DCM Shriram Industries Limited for the year ended 31 March 2022

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 2022, 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 companies and its associate company, as of that date.

In our opinion, the Holding Company and its subsidiary companies 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 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 companies 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 is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (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 consolidated 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 two subsidiary companies and one associate company is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 22090075AJWNYY5037

Place: New Delhi
Date: 30 May 2022

Consolidated Balance Sheet as at March 31, 2022

Particulars	Note	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	**56,530.02**	47,417.38
Capital work-in progress	3	**3,257.23**	2,353.41
Right-of-use-assets	41	**1,549.85**	2,001.58
Intangible assets	4	**323.89**	98.55
Intangible assets under development	4	**-**	60.97
Equity accounted investees	5	**1,355.62**	1,309.54
Financial assets			
(i) Investments	6	**180.58**	0.00
(ii) Loans	7	**50.02**	32.80
(iii) Other financial assets	8	**475.99**	592.61
Income-tax assets (net)	9	**1,605.02**	1,730.00
Other non-current assets	10	**451.81**	755.90
Total non-current assets		**65,780.03**	56,352.74
Current assets			
Inventories	11	**63,269.61**	66,031.96
Financial assets			
(i) Investments	12	**990.79**	4,769.58
(ii) Trade receivables	13	**25,495.06**	19,676.06
(iii) Cash and cash equivalents	14	**842.08**	2,004.87
(iv) Other bank balances	15	**1,885.23**	2,393.95
(v) Loans	16	**5.79**	40.74
(vi) Other financial assets	17	**15,928.21**	13,376.09
Other current assets	18	**3,727.13**	3,433.09
Total current assets		**1,12,143.90**	1,11,726.33
TOTAL ASSETS		**1,77,923.93**	1,68,079.07
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	**1,739.84**	1,739.84
Other equity	20	**65,451.61**	59,947.63
Total equity		**67,191.45**	61,687.47
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	**13,206.53**	11,507.11
(ii) Lease liabilities	41	**1,326.26**	1,773.99
(iii) Other financial liabilities	22	**94.23**	101.62
Provisions	23	**1,214.93**	1,278.34
Deferred tax liabilities (net)	39	**4,169.22**	2,987.78
Other non-current liabilities	24	**51.08**	52.60
Total non- current liabilities		**20,062.25**	17,701.44
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**41,623.59**	37,087.74
(ii) Lease liabilities	41	**451.40**	399.15
(iii) Trade payables	26		
- Total outstanding dues of Micro and Small Enterprises		**1,263.91**	777.77
- Total outstanding dues of creditors other than Micro and Small Enterprises		**25,326.51**	33,413.60
(iv) Other financial liabilities	27	**3,237.29**	2,423.81
Provisions	28	**16,386.13**	11,186.58
Other current liabilities	29	**2,381.40**	3,401.51
Total current liabilities		**90,670.23**	88,690.16
TOTAL EQUITY AND LIABILITIES		**1,77,923.93**	1,68,079.07
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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

Particulars	Note	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Revenue from operations	30	**2,12,311.82**	1,94,300.13
Other income	31	**2,333.79**	1,719.86
Total Income		**2,14,645.61**	1,96,019.99
Expenses			
Cost of material consumed	32	**1,17,860.64**	1,06,842.36
Purchase of traded goods	33	**19,479.66**	14,757.14
Changes in inventories of finished goods and work-in-progress	34	**(67.26)**	8,579.13
Employee benefits expense	35	**16,522.29**	14,745.69
Finance costs	36	**4,021.24**	3,973.88
Depreciation and amortisation expense	37	**3,275.11**	2,916.46
Other expenses	38	**44,322.02**	34,128.62
Total expenses		**2,05,413.70**	1,85,943.28
Profit before share of profit of equity accounted investees and tax		**9,231.91**	10,076.70
Share of profit/loss of equity accounted investees (net of tax)		**43.45**	(215.23)
Profit before tax		**9,275.36**	9,861.48
Tax expense			
Current tax expense	39	**2,151.83**	2,950.20
Deferred tax charge	39	**499.21**	435.64
		2,651.04	3,385.84
Profit for the year		**6,624.32**	6,475.64
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss			
Re-measurement gain on defined benefit obligation		**279.61**	197.64
Income tax pertaining to items that will not be reclassified to profit or loss		**(97.71)**	(69.06)
Share of OCI of equity accounted investees (net of tax)		**2.64**	(0.52)
Total other comprehensive income, net of taxes		**184.54**	128.06
Total comprehensive income		**6,808.86**	6,603.70
Profit for the year attributable to	50		
- Owners of the Company		**6,624.32**	6,475.64
- Non-controlling interest		**-**	-
Other comprehensive income for the year attributable to	50		
- Owners of the Company		**184.54**	128.06
- Non-controlling interest		**-**	-
Total comprehensive income for the year attributable to	50		
- Owners of the Company		**6,808.86**	6,603.70
- Non-controlling interest		**-**	-
Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)	44	**7.61**	7.44
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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

		For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	**9,275.36**	9,861.48
	Adjustments for :		
	Depreciation and amortisation	**3,275.11**	2,916.46
	Finance costs	**4,021.24**	3,973.88
	Interest income	**(103.26)**	(149.25)
	Interest received against subvention	**(299.58)**	(455.69)
	(Profit) / loss on sale of property,plant and equipment / discarded assets (net)	**(168.72)**	20.36
	Share of profit/loss of equity accounted investees (net of tax)	**(43.46)**	215.23
	Provisions/liabilities no longer required, written back	**(603.54)**	(272.50)
	Bad debts and advances written off	**-**	25.23
	Profit on sale of current investments	**(27.81)**	(29.26)
	Net gain on fair value of investments	**(26.38)**	(82.89)
	Operating profit before changes in assets and liabilities	**15,298.96**	16,023.05
	Changes in assets and liabilities		
	(Decrease) / Increase in trade payables	**(7,487.42)**	7,090.61
	Increase / (Decrease) in financial liabilities	**1,191.22**	(1.76)
	Increase in other liabilities & provisions	**4,393.87**	3,036.41
	(Increase) in trade receivables	**(5,819.00)**	(1,244.13)
	Decrease in inventories	**2,762.35**	242.44
	(Increase) / Decrease in financial assets	**(2,412.79)**	363.95
	(Increase) in other assets	**(582.27)**	(1,070.51)
	Cash generated from operations	**7,344.92**	24,440.06
	Income tax paid (Net)	**(1,442.32)**	(1,924.34)
	Net cash from operating activities (A)	**5,902.60**	22,515.72
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Capital expenditure on acquisition of items of property, plant and equipments and intangible assets	**(13,478.44)**	(5,703.49)
	Proceeds from sale of property, plant and equipments	**1,615.25**	92.25
	Purchase of current investments	**(200.00)**	(7,108.87)
	Investment in equity shares - non current	**(180.58)**	-
	Proceeds from sale of long term non trade investments	**490.00**	-
	Proceeds from sale of current investments	**4,032.98**	3,612.46
	Changes in other bank balances	**508.71**	(1,066.97)
	Interest received	**96.92**	160.36
	Inter Corporate deposits received back	**-**	175.00
	Net cash used in investing activities (B)	**(7,115.16)**	(9,839.26)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	**9,025.33**	1,566.06
	Repayment of long term borrowings	**(7,128.56)**	(6,470.00)
	Proceeds / (Repayments) from short term borrowings (net)	**3,711.72**	(5,351.10)
	Repayments of Lease Liabilities	**(400.86)**	(383.59)
	Finance costs paid (Net of subvention)	**(3,851.99)**	(3,529.36)
	Dividend paid	**(1,305.88)**	(866.28)
	Net cash from / (used) in financing activities (C)	**49.76**	(15,034.27)
	Net decrease in cash and cash equivalents (A+B+C)	**(1,162.80)**	(2,357.81)
	Cash and cash equivalents at the beginning of the year	**2,004.88**	4,362.68
	Cash and cash equivalents at the end of the year	**842.08**	2,004.87
	Component of cash and cash equivalents		
	Balances with scheduled banks:		
	- Current accounts	**696.78**	1,975.25
	- Deposit with original maturity of less than three months	**126.45**	18.06
	- Cash in hand	**18.85**	11.56
	Cash and cash equivalents at the close of the year	**842.08**	2,004.87

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, 2020	23,757.11	35,212.30	2,568.94	61,538.35
Cash flows during the year	(6,725.66)	(6,843.46)	(587.69)	(14,156.81)
Non-cash changes due to:				
- Interest expense (net of subvention)	1,821.72	1,492.36	-	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
Opening balance as at April 1, 2021	**18,853.17**	**29,861.20**	**2,173.14**	**50,887.51**
Cash flows during the year	**490.27**	**1,642.41**	**(580.63)**	**1,552.05**
Non-cash changes due to:				
- Interest expense (net of subvention)	**1,472.52**	**2,069.37**	**-**	**3,541.89**
- Finance cost on lease liability	**-**	**-**	**179.77**	**179.77**
- Lease liability recognised	**-**	**-**	**5.39**	**5.39**
Closing balance as at March 31,2022	**20,815.96**	**33,572.98**	**1,777.67**	**56,166.61**

* 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.

\# This does not include current maturities of loan term borrowings

Notes

1. 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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 2022

A. Equity share capital

Particulars	(Rs.lakhs)
Balance as at April 1, 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**
Changes in equity share capital during the year ended March 31, 2022	-
Balance as at March 31, 2022	**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, 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 net of tax	-	-	-	-	-	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
Balance as at April 1, 2021	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**41,428.98**	**59,947.63**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**6,624.32**	**6,624.32**
Other comprehensive income / (expense) for the year net of tax	**-**	**-**	**-**	**-**	**-**	**184.54**	**184.54**
Total comprehensive income for the year	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**48,237.84**	**66,756.49**
Transactions with shareholders, recorded directly in equity							
Distribution to shareholders							
Final dividend on equity shares (Rs. 2.5 per equity share of Rs. 10 each)	**-**	**-**	**-**	**-**	**-**	**(434.96)**	**(434.96)**
Interim dividend on equity shares (Rs. 1 per equity share of Rs.2 each)	**-**	**-**	**-**	**-**	**-**	**(869.92)**	**(869.92)**
Balance as at March 31, 2022	**1,411.38**	**13,465.60**	**0.10**	**234.89**	**3,406.68**	**46,932.96**	**65,451.61**

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 group.

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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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, 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
			2021-22	2020-21	
1	Daurala Foods and Beverages Private Limited (DFBPL)	Subsidiary	**100**	100	India
2	DCM Shriram Fine Chemicals Limited (DSFCL)	Subsidiary	**100**	-	India
3	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, 2022, are approved by the Holding Company's Audit Committee and by the Board of Directors on May 30, 2022.

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 profit and loss (FVTPL)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair value through profit and loss (FVTPL)

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. 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 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 become separately identifiable.

By-products are valued at estimated net realizable value.

e) Revenue recognition

i. Sale 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 assesses 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.

<u>*Provident fund (other than those made to the Regional Provident Fund Office of the Government)*</u>

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 FVTOCI 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 FVTOCI 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 FVTOCI – 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 FVTOCI 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 services tax input credit

Goods and services tax input credit is recognised in the books of account 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:

i. 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.

ii. 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

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

1. **Ind AS 16 – Property Plant and equipment -** The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

2. **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –** The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

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, 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	6,885.38	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
Add: Additions during the year		**4,083.02**	**-**	**102.77**	**8,754.81**	**373.78**	**749.29**	**46.00**	**14,109.67**	**10,637.62**
Less: Disposals/Adjustments/ Capitalised during the year	**-**	**2,048.84**	**-**	**15.46**	**307.37**	**236.27**	**79.63**	**48.87**	**2,736.44**	**9,733.80**
Balance as at March 31, 2022	**789.26**	**2,499.53**	**423.56**	**5,326.50**	**56,049.72**	**1,078.33**	**1,375.39**	**267.01**	**67,809.30**	**3,257.23**
Accumulated depreciation										
Balance as at April 1, 2020	-	-	1.65	779.99	5,452.87	373.44	254.49	86.96	6,949.40	-
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	279.52	-
Balance as at March 31, 2021	-	-	32.62	951.34	7,184.14	404.81	329.98	115.80	9,018.69	-
Add: Depreciation expense during the year	-	-	**46.62**	**174.50**	**2,257.07**	**105.62**	**150.14**	**40.04**	**2,773.99**	**-**
Less: Disposals / adjustments during the year	-	-	-	**15.46**	**224.41**	**168.67**	**70.13**	**34.73**	**513.40**	**-**
Balance as at March 31, 2022	-	-	**79.24**	**1,110.38**	**9,216.80**	**341.76**	**409.99**	**121.11**	**11,279.28**	**-**
Net carrying value										
As at March 31, 2022	**789.26**	**2,499.53**	**344.32**	**4,216.12**	**46,832.92**	**736.57**	**965.40**	**145.90**	**56,530.02**	**3,257.23**
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

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

Ageing of Capital Work in Progress is as under:

(Rs.lakhs)

Capital Work in Progress	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	1,499.25	377.42	113.49	-	**1,990.16**
Projects delayed*	1,168.49	98.58	-	-	**1,267.07**
Total	2,667.74	476.00	113.49	-	**3,257.23**
As at March 31, 2021					
Projects in progress	2,353.41	-	-	-	2,353.41
Total	2,353.41	-	-	-	2,353.41

* On account of Covid-19 pandemic, few projects have been delayed.

Details of projects delayed:

(Rs.lakhs)

Capital Work in Progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project-1	762.70	98.58	-	-	**861.28**
Project-2	405.79	-	-	-	**405.79**
Total	**1,168.49**	**98.58**	**-**	**-**	**1,267.07**

* Refer note 54 for details of immovable properties which are not yet endorsed in the name of the Holding Company.

@ Refer note 57

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. 196.33 lakhs (March 31, 2021- Rs 169.95 lakhs) with a capitalisation rate ranging from 3.7% to 10.5% p.a. (March 31, 2021-9.3% p.a.)
4) Leasehold lands are in the nature of perpetual lease.

4. Intangible assets and Intangible assets under development

(Rs.lakhs)

Particulars	Extra Intangible with - Software	Intangible assets under development
Gross carrying amount		
Balance as at April 1, 2020	**252.69**	-
Add: Additions during the year	**25.84**	60.97
Less: Disposals / adjustments during the year	**0.25**	-
Balance as at March 31, 2021	**278.28**	60.97
Add: Additions during the year	**268.55**	-
Less: Disposals / adjustments/ capitalized during the year	**-**	60.97
Balance as at March 31, 2022	**546.83**	-
Accumulated amortisation		
Balance as at April 1, 2020	**139.94**	-
Amortisation expense during the year	**39.79**	-
Less: Disposals / adjustments during the year	**-**	-
Balance as at March 31, 2021	**179.73**	-
Add: Amortisation expense for the year	**43.21**	-
Less: Disposals / adjustments during the year	**-**	-
Balance as at March 31, 2022	**222.94**	-
Net carrying value		
As at March 31, 2022	**323.89**	-
As at March 31, 2021	98.55	60.97

Ageing of Intangible assets under development is as under:

(Rs.lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	-	-	-	-	**-**
As at March 31, 2021					
Projects in progress	60.97	-	-	-	60.97

Refer note 56 for information on assets charged as security by the Group.

5. Equity accounted investees

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investments in equity shares of associate		
Unquoted equity instruments		
DCM Hyundai Limited		
19,72,000 (March 31, 2021 - 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	**1,189.62**	1,143.54
	1,355.62	1,309.54

6. Investments- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investment in equity instruments- Trade investment		
Unquoted equity instruments		
Daurala Co-operative Development Union Limited		
2 (March 31, 2021 - 2) equity shares of face		
value of Rs. 10 each, fully paid up*	**0.00**	0.00
5,878 (March 31, 2021 - Nil) equity shares of Face value of 1 Turkish Lira each fully paid up of Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S.	**180.58**	-
Investments in preference shares		
Unquoted instruments		
Preference shares measured at Fair value through Other comprehensive income		
Versa Trading Limited		
Nil (March 31, 2021 – 7,00,000)		
5% redeemable non-cumulative preference shares of Rs. 100 each fully paid	**-**	700.00
Impairment in the value of investments		
Versa Trading Limited	**-**	700.00
Sub total	**-**	-
Total	**180.58**	0.00
Aggregate value of non-current unquoted investments (net of impairment)	**180.58**	-
Aggregate amount of impairment in the value of investments (Refer note 61)	-	700.00

* The investment is valued at Rs.20

7. Loans- Non current

(unsecured, considered good unless otherwise stated)

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Loans to employees	50.02	32.80
Total	**50.02**	32.80

Refer note 56 for information on assets charged as security by the Group..

8. Other financial assets- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To related parties (Refer note 46)		
Security deposits	**28.85**	30.59
To parties other than related parties		
Security deposits	**431.70**	438.43
Bank deposits with maturity of more than twelve months	**-**	-
Bank deposits held as margin money or security against borrowings, guarantees and other commitments	**15.12**	123.59
Others	**0.32**	
Total	**475.99**	592.61

Refer note 56 for information on assets charged as security by the Group.

9. Income tax assets (net)

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Advance income tax (net of provision)	**1,605.02**	1,730.00
Total	**1,605.02**	1,730.00

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To related parties (Refer note 45)		
Capital advances	**-**	7.47
To parties other than related parties		
Capital advances	**146.51**	731.93
Advance other than capital advances		
Deferred rent	**0.35**	0.78
Balance with government authorities	**233.88**	4.18
Other advances	**71.07**	11.54
Doubtful		
Other advances	**1.30**	1.30
	453.11	757.20
Less: Loss allowance for advances	**1.30**	1.30
Total	**451.81**	755.90

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Raw material*	**9,494.16**	13,669.53
Work in progress	**2,568.58**	1,773.17
Finished goods**#	**44,745.27**	45,473.42
Stores and spares	**6,461.60**	5,115.84
Total	**63,269.61**	66,031.96

* Includes raw material in transit Rs. 905.26 lakhs (March 31, 2021: Rs. 1419.62 lakhs)

** Includes finished goods in transit Rs. 1,768.69 lakhs (March 31, 2021: Rs. 322.19 lakhs)

The write-down of inventories to net realisable value during the year amounted to Rs. 203.45 lakhs (March 31, 2021: Nil) 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
19,784.626 (March 31, 2021: 44,064.755) HDFC Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**827.94**	1,782.65
34,569.622 (March 31, 2021: 6,03,379.092) ICICI Prudential Liquid Fund – Growth Direct Plan Units of Rs. 100 each	**108.98**	1,838.72
1,616.244 (March 31, 2021: 35,641.175) SBI Liquid Fund – Growth Direct Plan Units of Rs. 1000 each	**53.87**	1,148.21
	990.79	4,769.58
Aggregate book value and market value of unquoted investments	**990.79**	4,769.58

13. Trade receivables

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To Parties other than Related Parties		
Unsecured, considered good	**25,495.06**	19,676.06
Doubtful	**24.87**	24.87
	25,519.93	19,700.93
Less : Loss allowance for trade receivables	**24.87**	24.87
Total	**25,495.06**	19,676.06

Ageing of trade receivable as on March 31, 2022 is as under:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Unsecured, Considered good	25,483.82	5.86	-	3.95	1.43	**25,495.06**
Disputed Trade Receivables considered doubtful	-	-	-	-	24.87	**24.87**
Total	**25,483.82**	**5.86**	**-**	**3.95**	**26.30**	**25,519.93**

In case no due date of payment is specified, disclosure is from the date of the transaction.

Ageing of trade receivable as on March 31, 2021 is as under:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Unsecured, Considered good	19,670.64	0.05	3.95	1.43	-	19,676.07
Disputed Trade Receivables considered doubtful	-	-	-	-	24.87	24.87
Total	19,670.64	0.05	3.95	1.43	24.87	19,700.93

In case no due date of payment is specified, disclosure is from the date of the transaction.

The Group 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Balances with banks		
- On current accounts	**696.78**	1,975.25
- Deposits with original maturity of less than three months	**126.45**	18.06
Cash on hand	**18.85**	11.56
Total	**842.08**	2,004.87

Refer note 56 for information on assets charged as security by the Group.

15. Other bank balances

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Deposits with maturity of more than three months but upto twelve months		
- in deposit accounts	**1,230.46**	1,178.44
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	**455.74**	1,015.48
Earmarked balances with banks – unclaimed dividend accounts	**199.03**	200.03
Total	**1,885.23**	2,393.95

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Loans to employees (including accrued interest)	**5.73**	8.57
Others	**0.06**	32.17
Total	**5.79**	40.74

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To related parties (Refer note 46)		
Security deposits	**-**	3.04
To parties other than related parties		
Security deposits	**0.53**	10.54
Interest accrued on term deposits	**71.96**	66.18
Government grant receivable	**181.37**	3,241.00
Reimbursement assets*	**15,550.43**	9,972.17
Others	**123.92**	83.15
Total	**15,928.21**	13,376.09

* 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
To parties other than related parties		
Advances to contractors	**561.59**	482.40
Other advances		
Advance to employees	**16.03**	25.74
Balance with government authorities	**1,358.97**	1,561.81
Duty drawback & other incentive receivables	**848.05**	553.14
Prepaid expense	**365.08**	318.71
Advance to provident fund trust	**-**	196.38
Prepaid gratuity	**503.18**	189.57
Others	**74.23**	105.34
Doubtful		
Duty drawback and other incentive receivables	**22.67**	-
	3,749.80	3,433.09
Less: Loss allowance	**22.67**	-
Total	**3,727.13**	3,433.09

Refer note 56 for information on assets charged as security by the Group.

19. Equity share capital

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
a) Authorised		
32,50,00,000 equity shares of Rs. 2 each (March 31, 2021: 6,50,00,000 of Rs. 10 each) *	**6,500.00**	6,500.00
b) Issued, subscribed and fully paid-up		
8,69,92,185 equity shares of Rs. 2 each fully paid-up (March 31, 2021: 1,73,98,437 of Rs.10 each)	**1,739.84**	1,739.84

* **Sub-divided into 5 equity shares of Rs. 2 per share pursuant to approval received in Annual General Meeting of Shareholders held on 8 September 2021. (Refer Note 59)**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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
Adjustment for sub-division of equity shares	**6,95,93,748**	**-**	-	-
Add: Shares issued	**-**	**-**	-	-
At the end of the year	**8,69,92,185**	**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. 2 per share (sub-divided during the year from 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares @ Rs 2 each	% of holding	Number of shares @ Rs.10 each	% of holding
Lily Commercial Private Limited	**1,57,51,765**	**18.11**	31,50,353	18.11
HB Portfolio Limited	**1,28,87,910**	**14.82**	17,72,120	10.19
Versa Trading Limited	**62,05,984**	**7.13**	25,77,582	14.82
Bantam Enterprises Private Limited	**67,84,840**	**7.80**	13,56,968	7.80
Life Insurance Corporation of India	**42,06,760**	**4.84**	11,61,352	6.68

f) Details of shareholding of Promoters in the Holding company is as under:

S. No.	Promoter Name	As at March 31, 2022			As at March 31, 2021		
		Number of shares @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs. 10 each	% of total shares	% Change during the year
1	Lily Commercial Pvt. Ltd.	**1,57,51,765**	**18.11**	-	31,50,353	18.11	0.90
2	Versa Trading Private Limited	**1,28,87,910**	**14.82**	-	25,77,582	14.82	2.03
3	Bantam Enterprises Pvt Ltd.	**67,84,840**	**7.80**	-	13,56,968	7.80	-
4	Hi-Vac Wares Private Limited	**39,66,285**	**4.56**	-	7,93,257	4.56	-
5	H. R. Travels Pvt. Ltd.	**32,12,900**	**3.69**	-	6,42,580	3.69	-
6	Suman Bansi Dhar	**2,84,060**	**0.33**	-	56,812	0.33	-
7	Lala Bansi Dhar & Sons	**2,69,580**	**0.31**	-	53,916	0.31	-
8	Madhav B Shriram	**1,88,880**	**0.22**	-	37,776	0.22	0.22
9	Alok B. Shriram	**80,180**	**0.09**	-	16,036	0.09	0.04
10	Urvashi Tilak Dhar	**61,685**	**0.07**	-	12,337	0.07	-
11	Kanika Shriram	**47,500**	**0.05**	-	9,500	0.05	0.03
12	DCM Hyundai Limited	**20,865**	**0.02**	-	4,173	0.02	-
13	Karuna Shriram	**21,730**	**0.02**	-	4,346	0.02	-
14	Rudra Shriram	**10,500**	**0.01**	-	2,100	0.01	0.01
15	Aditi Dhar	**500**	**0.00**	-	100	0.00	-
16	Akshay Dhar	**500**	**0.00**	-	100	0.00	-
17	Divya Shriram	**435**	**0.00**	-	87	0.00	-
	Total	**4,35,90,115**	**50.10**	-	**87,18,023**	**50.10**	**3.22**

g) 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.

20. Other equity

		As at March 31, 2022 Rs. lakhs	As at March 31, 2021 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	**41,428.98**	35,695.20
	Add: Profit for the year	**6,624.32**	6,475.64
	Items of other comprehensive income/ (expense) recognised directly in retained earnings		
	Remeasurement of employee benefit obligation, net of tax*	**181.90**	128.58
	Share of equity accounted investees	**2.64**	(0.52)
	Less: Appropriations		
	Final dividend on equity shares [Dividend per share Rs. 2.5/- per share of nominal value of Rs. 10/- each (March 31, 2021: Nil)]	**(434.96)**	-
	Interim dividend on equity shares [Dividend per share Rs.1/- per share of nominal value of Rs. 2/- each (March 31, 2021: Rs. 5/- per share of nominal value of Rs. 10/- each)]	**(869.92)**	(869.92)
	Balance at the end of the year	**46,932.96**	41,428.98
	Total	**65,451.61**	59,947.63

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

21. Borrowings

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 46)		
Unsecured loans		
Public deposits	**437.04**	322.27
From parties other than related parties		
Secured loans		
Term loans from banks	**19,144.24**	17,370.46
Term loans from others	**562.74**	579.82
Deferred payment liability	**610.15**	-
Unsecured loans		
Public deposits	**503.03**	461.10
	21,257.20	18,733.65
Less: Current maturity of long term borrowing	**8,050.67**	7,226.54
Total	**13,206.53**	11,507.11
Details of current maturity of long term borrowing:		
Secured loans		
Term loans from banks	**7,353.96**	6,941.75
Term loans from others	**93.03**	56.89
Deferred payment liability	**305.07**	-
Unsecured loans		
Public deposits	**298.61**	227.90
	8,050.67	7,226.54

A. SECURED

I. From Banks

a) Rs.156.25 lakhs (March 31,2021: Rs.775.80 lakhs) and Rs.66.50 lakhs (March 31,2021: Rs.762.39 lakhs) carrying interest linked to lender's 3 months MCLR and spread thereon, repayable in one 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) Rs.104.07 lakhs (March 31,2021: Rs.315.81 lakhs) carrying interest of linked to lender's 1 year MCLR and spread thereon, repayable in 2 quarterly instalments, is secured by first exclusive charge on specific movable assets of Sugar division of Daurala Sugar Works, a unit of the Company.

c) Rs.2,440.87 lakhs (March 31,2021: Rs.3,525.70 lakhs) carrying interest of 5% p.a., repayable in 27 monthly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

d) Rs.531.77 lakhs (March 31,2021: Rs.794.76 lakhs), Rs.368.08 lakhs (March 31,2021: Rs.552.68 lakhs) and Rs.3,108.70 lakhs (March 31,2021: Rs.3,265.98 lakhs) carrying interest linked to lender's LTMLR, repayable in 8, 8 and 12 quarterly instalments, are secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

e) Rs.3,922.18 Lakhs (March 31,2021: Nil) carrying interest linked to lender's 1 year MCLR and spread thereon, repayable in 16 quarterly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

f) Rs.4,002.76 lakhs (March 31,2021: Nil) carrying interest of 8% p.a., repayable in 48 monthly instalments, is secured by first pari-passu charge by way of mortgage/hypothecation on all the Fixed Assets of the Company excluding assets on exclusive charges.

g) Rs.1,666.62 lakhs (March 31,2021: Rs.2,999.98 lakhs) and Rs.1406.25 lakhs (March 31,2021: Rs.2,031.25 lakhs) carrying interest rate of 8.95% p.a., repayable in 5 and 9 quarterly instalments, are secured by residual pari-passu charge on fixed assets of sugar factory at Daurala Sugar Works, a unit of the Company.

h) Rs.1,370.20 lakhs (March 31,2021: Rs.1975.11 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 9 quarterly instalments, is secured by first charge on specific movable assets of Distillery division of Daurala Sugar Works, a unit of the Company.

i) Nil (March 31,2021: Rs.371.00 lakhs) carrying interest linked to lender's 6 Months MCLR and spread thereon repayable in 1 instalment, secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

j) Rs.39.80 lakhs (March 31,2021: Nil) is secured by hypothecation of specific assets carrying interest of 6.63%.

II. From Others

a) Rs.494.50 lakhs (March 31,2021: Rs.494.50 lakhs) and Rs.28.44 lakhs (March 31,2021: Rs.85.32) carrying interest linked to RBI's Bank rate minus 2%. respectively, repayable in 10 and 1 half yearly instalments, are secured by first pari-passu charge on immovable and movable properties of sugar factory at Daurala Sugar Works, a unit of the Company.

III. Deferred payment liability

a) Rs.610.15 lakhs (March 21,2021: Nil) carrying interest rate of 10.50%, repayable in 8 quarterly instalments is secured against specific immoveable property of a wholly owned subsidiary, DCM Shriram Fine Chemicals Limited, of the company.

B. Unsecured

Rs.940.07 lakhs (March 31,2021: Rs.783.37 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.

C. The quarterly returns/statements filed by the Holding Company with the banks are in agreement with the books of account of the Holding Company.

22. Other financial liabilities- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 46)		
Interest accrued but not due on borrowings	**16.01**	16.05
From parties other than related parties		
Interest accrued but not due on borrowings	**14.20**	26.49
Deposits from contractors and others	**10.22**	10.15
Others	**53.80**	48.93
Total	**94.23**	101.62

23. Provisions- Non current

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Gratuity	-	-
- Compensated absences	**1,029.43**	979.89
- Provident fund trust	**85.50**	198.45
Provision for contingencies*	**100.00**	100.00
Total	**1,214.93**	1,278.34

* Provision for contingencies of Rs. 100 lakhs (March 31, 2021: 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Others	**51.08**	52.60
Total	**51.08**	52.60

25. Borrowings

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Secured loans		
From banks - loans repayable on demand*	**33,572.92**	29,861.20
Current maturities of long term borrowings (refer note 21)	**8,050.67**	7,226.54
Total	**41,623.59**	37,087.74

* Secured by first pari-passu charge against the division's current and non-current assets (except reimbursement asset and division's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the divisions's property, plant and equipment. These carry interest rate ranging from 1.15% to 8.05% p.a.. Also refer note 56.

26. Trade payables

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Total outstanding dues of Micro and Small Enterprises*	**1,263.91**	777.77
Total outstanding dues other than Micro and Small Enterprises#	**25,326.51**	33,413.60
Total	**26,590.42**	34,191.37

Ageing of trade payable as on March 31, 2022 is as under :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1,264.16	-	-	-	1,264.16
Others	24,916.35	239.59	87.54	2.80	25,246.28
Disputed dues - Others	-	-	-	79.98	79.98
Total	**26,180.51**	**239.59**	**87.54**	82.78	**26,590.42**

In case no due date of payment is specified, disclosure is from the date of the transaction.

Ageing of trade payable as on March 31, 2021 is as under :

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	777.77	-	-	-	777.77
Others	32,666.56	607.72	11.61	47.73	33,333.62
Disputed dues - Others	-	-	-	79.98	79.98
Total	**33,444.33**	**607.72**	**11.61**	127.71	**34,191.37**

In case no due date of payment is specified, disclosure is from the date of the transaction.

* Refer note 52 for Micro and Small Enterprises.

Includes payable to related parties Rs. 588.10 lakhs (March 31, 2021 Rs. 711.63 lakhs), refer note 46.

Notes:

a) Includes acceptances Rs. 3,285.60 lakhs (March 31, 2021 Rs. 3,854.16 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
From related parties (Refer note 46)		
Interest accrued but not due on borrowings	**16.37**	11.03
Creditors for capital purchases	**2.28**	-
From parties other than related parties		
Creditors for capital purchases	**528.52**	964.27
Security deposits	**983.76**	26.84
Interest accrued but not due on borrowings	**114.29**	65.97
Unclaimed dividends*	**199.03**	200.03
Unclaimed deposits and interest accrued thereon	**8.01**	-
Other payables		
Deposits from contractors and others	**353.45**	254.63
Employees related payable	**1,006.96**	857.23
Others	**24.62**	43.81
Total	**3,237.29**	2,423.81

* 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Provision for employee benefits (Refer note 45)		
- Compensated absences	**364.94**	409.01
- Provident fund trust	**-**	3.33
Provision for contingencies (Refer note 55)	**15,733.25**	10,572.51
Others*	**287.94**	201.73
Total	**16,386.13**	11,186.58

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

29. Other current liabilities

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Advances from customers	**504.51**	2,110.20
Statutory dues payable	**1,715.13**	1,051.47
Others	**161.76**	239.84
Total	**2,381.40**	3,401.51

30. Revenue from operations

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Sale of products@		
Export	**46,438.72**	40,414.39
Domestic #	**1,56,808.06**	1,42,051.51
	2,03,246.78	1,82,465.90
Sale of services@		
Processing charges	**5,259.37**	4,536.41
Others	**-**	39.31
	5,259.37	4,575.72
Other operating revenue		
Sale of scrap	**1,383.70**	819.25
Duty draw back, export benefits and other government assistance*	**1,254.40**	6,304.08
Sale of renewable energy certificates	**996.98**	33.22
Others	**170.59**	101.96
Total	**2,12,311.82**	1,94,300.13

Includes Rs. 1,356.01 lakhs (March 31, 2021: Rs.11,846.80 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Trade receivables (Refer note 13)	**25,495.06**	19,676.06
Contract liabilites		
Advances from customers (Refer note 29)	**504.51**	2,110.20

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

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Contracted price	**2,08,842.18**	1,87,631.61
Less: Discounts	**336.02**	589.99
	2,08,506.16	1,87,041.62

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

31. Other income

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	**102.70**	126.35
Unwinding of discount on security deposits	**0.56**	0.60
Interest income on inter-corporate deposit	**-**	22.31
Interest subsidy*	**299.58**	455.69
Provisions/liabilities no longer required, written back	**603.54**	272.50
Rental income	**54.42**	56.33
Profit on sale of property, plant and equipment (net)	**168.72**	-
Profit on sale of current investments	**27.81**	29.26
Net change in fair value of financial assets measured at fair value through profit or loss	**26.38**	82.89
Gain on foreign exchange fluctuation (net)	**959.01**	591.52
Miscellaneous income	**91.07**	82.41
Total	**2,333.79**	1,719.86

* Refer note 53.

32. Cost of material consumed

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Raw materials at the beginning of the year	**13,669.53**	6,580.64
Add: Purchases	**1,13,685.27**	1,13,931.25
	1,27,354.80	1,20,511.89
Less: Raw materials at the end of the year	**9,494.16**	13,669.53
Total	**1,17,860.64**	1,06,842.36
Particulars of materials consumed are as under:		
Sugarcane	**78,149.74**	81,077.49
Wood pulp	**8,715.79**	6,545.12
Others	**30,995.11**	19,219.75
Total	**1,17,860.64**	1,06,842.36

33. Purchase of traded goods

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Grain spirits	**19,479.66**	14,757.14
Total	**19,479.66**	14,757.14

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

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Opening 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
Closing stock		
Finished goods	**44,745.27**	45,473.42
Work-in-progress	**2,568.58**	1,773.17
Total	**47,313.85**	47,246.59
	(67.26)	8,579.13
Particulars of stocks of finished goods and work-in-progress are as under :		
Finished goods		
Sugar	**41,001.46**	38,280.99
Alcohol	**859.86**	5,524.81
Organic/ Fine chemicals	**456.66**	464.82
Industrial fibers	**2,427.30**	1,202.80
Total	**44,745.28**	45,473.42
Work-in-progress		
Sugar	**879.44**	616.10
Alcohol	**140.73**	59.76
Organic/ Fine chemicals	**890.98**	644.81
Industrial fibers	**657.43**	452.50
Total	**2,568.58**	1,773.17

35. Employee benefits expense

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Salaries, wages and bonus* #	**14,821.36**	12,800.90
Contribution to provident and other funds*	**1,289.79**	1,533.08
Staff welfare expenses	**411.14**	411.71
Total	**16,522.29**	14,745.69

* Refer note 45

\# Includes payment to contractual labour

36. Finance costs

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Interest expense*#	**3,924.58**	3,827.00
Other borrowing costs	**96.66**	146.88
Total	**4,021.24**	3,973.88

* Refer note 53

\# includes Rs. 179.77 lakhs interest on lease liabilities (March 31,2021:Rs.204.10 lakhs)

37. Depreciation and amortisation expense

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Depreciation on property, plant and equipment	**2,773.99**	2,348.80
Amortisation on intangible assets	**43.21**	39.79
Amortisation on right-of-use assets	**457.91**	527.87
Total	**3,275.11**	2,916.46

38. Other expenses

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Stores and spares	**12,612.13**	9,792.25
Power and fuel	**11,378.70**	7,999.70
Repair and maintenance		
- Buildings	**694.05**	722.68
- Plant and machinery	**6,271.14**	4,797.21
Rent*	**86.97**	133.08
Payment to auditors		
- As auditors	**52.84**	40.59
- Limited review of unaudited financial results	**30.00**	37.50
- Verification of statements and other records	**0.35**	10.25
- Out-of-pocket expenses	**4.51**	3.31
Insurance	**296.69**	303.14
Rates and taxes	**222.96**	104.91
Freight and transport	**2,791.76**	1,590.69
Commission to selling agents	**2,232.97**	2,128.99
Loss on Export obligation**	**-**	600.00
Loss on sale of property, plant and equipment (net)	**-**	20.36
Donation	**-**	0.30
Corporate social responsibility (refer note below)	**183.66**	201.86
Provision for export benefits	**22.67**	-
Bad debts and advances provided / written off	**-**	25.23
Miscellaneous expense #	**7,440.62**	5,616.57
Total	**44,322.02**	34,128.62

Note: Details of corporate social responsibility expenditure

a) Amount required to be spent by the Group during the year	**188.64**	165.50
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**183.66**	201.86
c) Amount unspent	**4.98** ***	-

* Refer note 41

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

*** Spent subsequent to March 31, 2022

\# 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, 2022 and March 31, 2021 are:

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Current tax expense	**2,151.83**	2,950.20
Deferred tax charge	**499.21**	435.64
Income tax expense reported in the statement of profit and loss	**2,651.04**	3,385.84

B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Income tax		
Remeasurement of post employment benefit obligation	**(97.71)**	(69.06)
Income tax charges to other comprehensive income/(expense)	**(97.71)**	(69.06)

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, 2022 and March 31, 2021:

	For the year ended March 31, 2022 Rs. lakhs		For the year ended March 31, 2021 Rs. lakhs	
	Rate	**Amount**	**Rate**	**Amount**
Profit before tax from continuing operations, including OCI				
- Holding company	**34.94%**	**9,480.83**	34.94%	10,196.43
- Subsidiary company	**26.00%**	**30.69**	26.00%	77.91
Tax using the Company's domestic tax rate	**34.92%**	**3,320.96**	34.86%	3,583.30
Tax effect of:				
Non-deductible expenses	**0.51%**	**48.56**	0.80%	82.04
Impact on Deferred Tax due to change in tax rate for future years	**-3.93%**	**(374.03)**	-1.57%	(160.97)
Capital loss not expected to be set-off in near future	**-0.77%**	**(73.38)**	0.00%	-
Others#	**-1.82%**	**(173.36)**	-0.48%	(49.47)
Effective tax rate	**28.90%**	**2,748.75**	36.32%	3,454.90

The Holding company continues to pay income tax under older tax regime and has not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated MAT credit and other benefits under the Income Tax Act, 1961. The Holding company plans to opt for lower tax regime once these benefits are utilised, which is expected by financial year ending 2025. Accordingly, deferred tax liability on temporary differences which are expected to reverse after financial year ending 2025 have been re-measured in the current financial year.

D. Deferred tax assets/liabilities

(Rs. lakhs)

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Accrued expense deductible on payment	**307.15**	249.41	-	-	**307.15**	249.41
Provision for gratuity and compensated absences	**311.42**	419.08	-	-	**311.42**	419.08
Loss allowance for trade receivables	**8.69**	8.69	-	-	**8.69**	8.69
Loss allowance for other assets	**8.38**	0.45	-	-	**8.38**	0.45
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	-	-	**7,360.11**	6,819.21	**(7,360.11)**	(6,819.21)
Others	**150.35**	170.03	**87.99**	229.45	**62.35**	(59.42)
	785.98	847.66	**7,448.11**	7,048.66	**(6,662.13)**	(6,201.00)
MAT credit entitlement **	**2,628.71**	3,213.22	-	-	**2,628.71**	3,213.22
Net Deferred tax liabilities	**3,414.69**	4,060.88	**7,448.11**	7,048.66	**(4,033.42)**	(2,987.78)

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

E. Movement in temporary differences

For the year ended 31 March 2022

(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	**249.41**	**57.74**	**-**	**307.15**
Provision for gratuity, compensated absences and other employee benefits	**419.08**	**(9.96)**	**(97.71)**	**311.42**
Loss allowance for trade receivables	**8.69**	**(0.00)**	**-**	**8.69**
Loss allowance for other assets	**0.45**	**7.93**	**-**	**8.38**
Others	**170.03**	**-19.68**	**-**	**150.35**
	847.66	**36.02**	**(97.71)**	**785.98**
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	**(6,819.21)**	**(540.91)**	**-**	**(7,360.11)**
Others	**(229.45)**	**141.46**	**-**	**(87.99)**
	(7,048.66)	**(399.45)**	**-**	**(7,448.11)**
Total	**(6,201.00)**	**(363.42)**	**(97.71)**	**(6,662.13)**

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/ intangible assets	(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)

F. Availability of MAT Credit is upto:

	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Financial year	**Amount**	Amount
2027-28	**-**	0.12
2028-29	**-**	443.32
2029-30	**157.70**	298.77
2030-31	**851.08**	851.08
2032-33	**996.93**	996.93
2033-34	**623.00**	623.00
	2,628.71	3,213.22

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 Group's reportable segments:

Sugar	Comprising sugar, power and alcohol
Industrial fibres and related products	Comprising rayon, synthetic yarn, cord, fabric etc.
Chemicals	Comprising organics and 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Segment revenue										
- External revenues	**1,27,525.82**	1,15,972.37	**43,040.83**	32,892.63	**37,939.49**	38,176.62	**-**	-	**2,08,506.15**	1,87,041.62
- Inter segment revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
- Other operating revenue	**2,288.51**	5,969.57	**1,154.81**	852.98	**362.35**	435.96	**-**	-	**3,805.67**	7,258.51
Subtotal	**1,29,814.33**	1,21,941.94	**44,195.64**	33,745.61	**38,301.85**	38,612.58	**-**	-	**2,12,311.82**	1,94,300.13
- Other income	**399.15**	322.09	**846.22**	564.94	**129.25**	114.19	**-**	(2.40)	**1,374.62**	998.82
- Unallocable income	**-**	-	**-**	-	**-**	-	**-**	-	**959.17**	721.03
Total Segment revenue	**1,30,213.48**	1,22,264.03	**45,041.86**	34,310.55	**38,431.10**	38,726.77	**-**	(2.40)	**2,14,645.61**	1,96,019.98
Segment results	**7,969.89**	7,637.63	**4,543.47**	3,066.42	**3,851.27**	6,662.36	**-**	-	**16,364.63**	17,366.41
Unallocated expenses (net of unallo cated income)									**3,111.48**	3,315.82
Operating profit									**13,253.15**	14,050.59
Finance costs									**4,021.24**	3,973.88
Profit before share of profit of equity ac counted investees and tax									**9,231.91**	10,076.71
Share of profit/(loss) of equity accounted investees (net of tax)									**43.45**	(215.23)
Profit before tax									**9,275.36**	9,861.48
Current tax expense									**2,151.83**	2,950.20
Deferred tax (credit)/ charge									**499.21**	435.64
Net profit after tax									**6,624.32**	6,475.64
Capital expenditure during the year	**7,097.76**	1,944.23	**2,012.49**	1,443.02	**3,826.00**	2,228.15	**-**	-	**12,936.25**	5,615.40
Unallocated capital expenditure during the year									**2,283.50**	283.62
Total capital expenditure during the year									**15,219.75**	5,899.02
Depreciationand amortisation	**1,052.29**	893.37	**1,033.95**	937.75	**606.77**	500.30	**-**	-	**2,693.01**	2,331.42
Unallocated depreciation during the year									**582.10**	585.04
Total depreciation during the year									**3,275.11**	2,916.46
Non cash expense other than depreciation	**0.20**	2.19	**54.80**	25.75	**0.75**	24.33	**-**	-	**55.75**	52.27
Unallocated non cash expenses other than depreciation during the year									**7.48**	2.42
Total non cash expense other than depreciation during the year									**63.23**	54.69

(Rs.Lakhs)

Particulars	Reportable segments						Elimination		Total	
	Sugar		Industrial fibres and related products		Chemicals					
	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Segment assets	**1,00,707.85**	95,475.24	**41,484.86**	36,655.70	**23,459.52**	19,966.17	**-**	-	**1,65,652.23**	1,52,097.11
Unallocated assets									**12,271.70**	15,981.96
Total assets	**1,00,707.85**	95,475.24	**41,484.86**	36,655.70	**23,459.52**	19,966.17	**-**	-	**1,77,923.93**	1,68,079.07
Segment liabilities	**30,985.88**	35,143.82	**11,010.50**	9,835.41	**6,047.08**	5,804.54	**-**	-	**48,043.46**	50,783.77
Share capital and reserves									**67,191.45**	61,687.47
Unallocated liabilities										
-Borrowings	**-**	-	**-**	-	**-**	-	**-**	-	**54,999.06**	48,714.40
-Others	**-**	-	**-**	-	**-**	-	**-**	-	**7,689.96**	6,893.40
Total liabilities	**30,985.88**	35,143.82	**11,010.50**	9,835.41	**6,047.08**	5,804.54	**-**	-	**1,77,923.93**	1,60,898.31
Capital employed	**69,721.96**	60,331.42	**30,474.36**	26,820.29	**17,412.45**	14,161.63	**-**	-	**1,17,608.77**	1,01,313.34

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

		For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
i	**Revenues**		
	Total revenue for reportable segments	**2,13,686.44**	1,95,301.35
	Unallocated amounts:		
	Revenue for other segments	**959.17**	721.03
	Inter-segment elimination	**-**	(2.40)
	Total revenue	**2,14,645.61**	1,81,887.96

		For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
ii	**Profit before tax**		
	Total profit before tax for reportable segments	**16,364.63**	17,366.41
	Unallocated cost:		
	Finance costs	**(4,021.24)**	(3,973.88)
	Other unallocated amounts	**(3,111.48)**	(3,315.82)
	Profit before tax as per statement of profit and loss	**9,231.91**	10,076.71

		As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
iii	**Assets**		
	Total assets for reportable segments	**1,65,652.23**	1,52,097.11
	Unallocated amounts:		
	Investments	**2,528.00**	6,079.12
	Corporate assets	**9,743.70**	9,902.84
	Total assets as per the balance sheet	**1,77,923.93**	1,68,079.07

		As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
iv	**Liabilities**		
	Total liabilities for reportable segments	**48,043.46**	50,783.77
	Unallocated amounts:		
	Share capital	**1,739.84**	1,739.84
	Reserves and Surplus	**65,451.61**	59,947.63
	Unallocated corporate liabilities	**62,689.02**	55,607.83
	Total liabilities as per the balance sheet	**1,77,923.93**	1,68,079.07

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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
i	**Revenues**		
	(a) India	**1,68,206.49**	1,55,607.99
	(b) Other countries		
	Europe	**17,221.60**	12,797.44
	China	**12,383.61**	12,414.41
	Rest of the World	**16,833.91**	15,202.54
	Total (b)	**46,439.12**	40,414.39
	(c) Inter-segment elimination	**-**	(2.40)
	Total (a+b+c)	**2,14,645.61**	1,81,887.96

		As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
ii	**Assets**		
	(a) India	**1,62,520.03**	1,57,281.01
	(b) Other countries		
	Europe	**7,167.92**	2,993.04
	China	**4,141.67**	3,363.91
	Rest of the World	**4,094.31**	4,441.11
	Total (b)	**15,403.90**	10,798.06
	Total (a+b)	**1,77,923.93**	1,68,079.07

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 Holding company is as follows:

(Rs.Lakhs)

Particulars	Opening as on April 1, 2021	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2022
Building	2,001.58	56.94	50.76	457.91	1,549.85
	2,001.58	**56.94**	**50.76**	**457.91**	**1,549.85**

Particulars	Opening as on April 1, 2020	Additions during the year	Deletions during the year	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**

The Holding company incurred Rs. 86.97 lakhs (March 31, 2021: Rs.133.08 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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Opening balance	**2,173.14**	2,568.94
Additions	**56.76**	159.52
Deletions	**(51.37)**	(171.73)
Amount recognised in statement of profit and loss as interest expense	**179.77**	204.10
Payment of lease liability	**(580.64)**	(587.69)
Closing balance	**1,777.66**	2,173.14

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

Particulars	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Within one year	**451.40**	399.15
Within one-five years	**1,217.79**	1,631.98
Above five years	**108.46**	142.01
Closing balance	**1,777.66**	2,173.14

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

A. Contingent liabilities*

Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Income tax matters	**10,548.70**	4,356.09
Excise and Service tax matters	**23.58**	39.20
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	**950.81**	925.00
Sales tax matters	**15.46**	55.06
Sugarcane related matters	**4,545.26**	4,545.26
Share in contingent liabilities of associate company	**170.88**	196.79
Total	**16,254.69**	10,117.40

* 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. 722.96 lakhs (March 31, 2021: Rs. 5,265.85 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, 2022	For the year ended March 31, 2021
Profit after tax attributable to equity shareholders	**Rs. Lakhs**	**6,624.32**	6,475.64
Weighted average number of equity shares outstanding during the year*	**Numbers**	**8,69,92,185**	8,69,92,185
Nominal value per share*	**Rs.**	**2**	2
Basic and diluted earnings per share	**Rs.**	**7.61**	7.44

* Refer Note 59

45. Employee benefits

A. Defined Contribution plans

Rs. 110.52 lakhs (March 31, 2021: Rs. 127.13 lakhs) for provident fund contribution and Rs. 204.69 lakhs (March 31, 2021: Rs. 174.36 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 Holding 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Net Gratuity liability / (asset)	**(503.18)**	(189.57)
Non current	**-**	-
Current	**(503.18)**	(189.57)

(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**4,086.73**	3,991.92
Current service cost	**264.84**	260.63
Interest cost	**277.90**	271.45
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**(117.03)**	-
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**54.61**	224.89
Benefits paid	**(452.70)**	(662.16)
Balance at the end of the year	**4,114.35**	4,086.73

(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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**4,276.30**	3,555.40
Expected return on plan assets	**290.79**	241.76
Contribution by the Holding Company	**19.22**	14.40
Benefits paid	**(121.63)**	(28.52)
Actuarial gains / (losses) recognised in other comprehensive income	**152.85**	493.26
Balance at the end of the year	**4,617.53**	4,276.30

(iii) Expense recognized in profit or loss

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Current service cost	**264.84**	260.63
Interest cost	**277.90**	271.45
Expected return on plan assets	**(290.79)**	(241.76)
Actuarial (gains) / losses recognised in other comprehensive income	**(215.28)**	(268.37)
	36.67	21.95

(iv) Constitution of plan assets

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Other than equity, debt, property and bank account		
Funded with Life Insurance Corporation of India*	**4,617.53**	4,276.30

* 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Actuarial (gain) / loss on plan assets	**152.85**	493.26
Actuarial (gain) / loss arising from changes in financials assumptions	**117.03**	-
Actuarial (gain) / loss arising from changes in experience adjustments	**(54.61)**	(224.89)

(vi) Actuarial assumptions

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assumptions		
Discount rate	**7.22%**	6.80%
Future salary growth	**5.00%**	5.00%
Rate of return on plan assets	**6.80%**	6.80%
Expected average remaining working lives of employees (years)	**17.48**	17.31
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, 2023 are Rs. 206.64 lakhs (March 31, 2022: Rs. 219.75 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, 2022 Rs. lakhs**		For the year ended March 31, 2021 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(127.64)**	**136.57**	(127.42)	136.34
Future salary growth (0.50%)	**138.32**	**(130.36)**	138.08	(130.13)

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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Within 1 year	**556.02**	629.47
1 year to 5 years	**1,557.21**	1,505.47
More than 5 years	**2,001.12**	1,951.79

C. Compensated absences:

The obligation of compensated absence in respect of the employees of the Company as at 31 March 2022 works out to Rs. 1177.76 lakhs (31 March 2021: Rs. 1,174.72 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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Net Provident Fund liability / (asset)	**85.50**	201.78
Advance to provident fund trust	**-**	196.38

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (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, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**14,038.94**	15,037.85
Current service cost	**415.46**	371.03
Contribution by plan participants / employees	**1,003.17**	1,129.88
Interest cost	**1,084.96**	1,187.44
Actuarial (Gain) / Loss on arising from changes in financials assumptions	**(1.62)**	-
Actuarial (Gain) / Loss on arising from changes in experience adjustments	**(110.71)**	(24.30)
Benefits paid	**(2,166.50)**	(3,662.96)
Balance at the end of the year	**14,263.70**	14,038.94

(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, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**13,837.16**	14,908.84
Expected return on plan assets	**1,084.96**	1,185.39
Contribution by the Holding company	**415.46**	371.03
Contribution by plan participants / employees	**1,003.17**	1,129.88
Benefits paid	**(2,166.50)**	(3,662.95)
Actuarial gains / (losses) recognised in other comprehensive income*	**(48.00)**	(95.03)
Shortfall funded by the Holding company	**51.95**	-
Balance at the end of the year	**14,178.20**	13,837.16

* Includes Rs. (61.00) lakhs (March 31, 2021: Rs.98.30 lakhs) on account of (reversal of provision)/provision on investments.

(iii) Expense recognized in profit or loss

Particulars	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Current service cost	**415.46**	371.03
Interest cost	**-**	2.05
Net cost	**415.46**	373.08

(iv) Remeasurements recognized in other comprehensive income

Particulars	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Gain/(Loss) recognised in other comprehensive income	**64.33**	(70.73)

(v) Actuarial assumptions

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

Particulars	**As at March 31, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
Financial assumptions		
Discount rate	**7.22%**	6.80%
Expected statutory interest rate	**8.10%**	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, 2022 Rs. lakhs**		For the year ended March 31, 2021 Rs. lakhs	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50%)	**(4.27)**	**4.50**	(4.86)	5.11

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 Holding 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. Alok B. Shriram, Senior Managing Director
Mr. Madhav B. Shriram, Managing Director
Mrs. Urvashi Tilak Dhar, Director
Mr. Vineet Manaktala, Director & CFO
Mr. N. K.Jain, Director & CFO (upto 30.06.2021)
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. Y. D. Gupta, Vice President & Company Secretary
Mr. Mukesh Gupta, Nominee Director (w.e.f. 01.10.2020 and upto 14.03.2022)
Ms. Mini Ipe , LIC Nominee Director (w.e.f. 30.03.2022)
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
Ms. Umika Shriram
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
Mrs. K. Rao
Mrs. Amita Manaktala
Mrs. Astha Manaktala
Mr. Mohit Manaktala

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
DCM Containers & Engineering Private Limited (w.e.f. 23.06.21)
(Formerly Hindustan Vaccum Glass Private Limited)
Kirloskar Corrocoat Private Limited
Hi-Vac Wares Private Limited
Lily Commercial Private Limited
Fives Cail – KCP Limited
Versa Trading Limited

B. Transactions with related parties:

Particulars	**For the year ended March 31, 2022 Rs. lakhs**	For the year ended March 31, 2021 Rs. lakhs
Rent expenses		
Relatives/HUF of key management personnel	**181.86**	196.73
Bantam Enterprises Private Limited	**30.59**	34.55
H.R. Travels Private Limited	**9.18**	9.18
Others	**0.90**	0.75
Total	**222.53**	241.21
Interest expense		
Key management personnel	**11.87**	10.74
Relatives of Key management personnel	**27.45**	19.06
Independent Directors & their relatives/HUF	**3.75**	3.75
Total	**43.07**	33.55
Other expenses		
DCM Containers & Engineering Private Limited	**30.00**	83.95
Kirloskar Corrocoat Private Limited	**4.03**	11.76
Fives Cail – KCP Limited	**6.51**	-
Others	**-**	1.08
Total	**40.54**	96.79
Purchase of property, plant and equipment		
DCM Containers & Engineering Private Limited	**62.54**	277.58
Fives Cail – KCP Limited	**204.26**	
Total	**266.80**	277.58
Equity dividend paid		
Key management personnel	**4.96**	1.66
Relatives/HUF of key management personnel	**9.53**	6.00
Bantam Enterprises Private Limited	**101.77**	67.85
Lily Commercial Private Limited	**236.28**	154.49
H.R. Travels Private Limited	**48.20**	32.13
Hi-Vac Wares Private Limited	**59.49**	39.66
Versa Trading Limited	**193.32**	128.88
	653.55	430.67
Public deposits received		
Key management personnel	**-**	74.76
Relatives of key management personnel	**122.00**	-
Total	**122.00**	74.76
Amount received from sale of preference shares		
Key management personnel	**85**	-
Relatives of Key Management Personnel	**170**	-
Bantam Enterprises Private Limited	**235**	-
Total	**490.00**	-
Security deposits received back		
Relatives/HUF of key management personnel		
Mrs. Anita Gupta	**3.04**	-
Mrs. Manju Jain	**4.56**	-
Total	**7.60**	-

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Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
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. Alok B.Shriram	296.52	329.27
Mr. Madhav B.Shriram	296.52	329.42
Mrs. Urvashi Tilak Dhar	278.24	273.51
Mr. Vineet Manaktala	39.02	
Mr. N. K. Jain	33.60	56.83
Mr. Y. D. Gupta	42.07	30.10
Relatives of key management personnel	197.25	116.32
Total	1,183.22	1,135.45
Post-employment defined benefit plan		
Gratuity		
Key management personnel		
Mr. Alok B.Shriram	(8.76)	5.88
Mr. Madhav B.Shriram	(3.33)	5.78
Mrs. Urvashi Tilak Dhar	2.71	3.13
Mr. Vineet Manaktala	4.08	-
Mr. N.K. Jain	-	2.00
Mr. Y.D. Gupta	2.74	3.66
Relatives of key management personnel	2.92	16.79
Total	0.36	37.24
Other long term defined benefit plan		
Compensated absences		
Key management personnel		
Mr. Alok B.Shriram	7.02	7.43
Mr. Madhav B.Shriram	6.90	6.58
Mrs. Urvashi Tilak Dhar	6.22	6.78
Mr. Vineet Manaktala	4.73	-
Mr. N.K. Jain	-	1.13
Mr. Y.D. Gupta	2.75	(1.74)
Mr. K.N. Rao	-	-
Relatives of key management personnel	(0.70)	16.42
Total	26.92	36.60
Commission to Independent Directors		
Mr. P. R. Khanna	13.72	15.86
Mr. S. B. Mathur	14.56	16.85
Mr. Ravinder Narain	12.04	13.91
Mr. S. C. Kumar	13.72	15.87
Mrs. Kavitha Dutt Chitturi	12.88	14.88
Mr. Sanjay C. Kirloskar	11.20	12.92
Mr. Mukesh Gupta	9.52	10.96
Mr. Manoj Kumar	11.20	11.46
Total	98.84	112.71
Total compensation paid to key management personnel	1,309.34	1,322.00
Post-employment defined benefit plan contribution paid to provident fund		
Trusts	1,418.63	1,500.91
Gratuity		
Trust	19.21	14.40
Other long term defined contribution plan superannuation		
Trust	176.07	174.35

Balances with related parties

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Security deposit receivable		
Relatives/HUF of key management personnel	**23.54**	28.32
Bantam Enterprises Private Limited	**5.31**	5.31
Total	**28.85**	33.63
Other advances		
Employees' Provident Fund Trust, DCM Shriram Industries Limited	**-**	196.38
Capital creditors		
DCM Containers & Engineering Private Limited	**2.28**	-
Capital advances		
DCM Containers & Engineering Private Limited	**-**	7.47
Payables		
Public deposits including interest accrued		
Key management personnel	**111.87**	110.74
Relatives/HUF of key management personnel	**320.06**	201.11
Independent Directors & their relatives	**37.50**	37.50
Total	**469.43**	349.35
Provisions		
Daurala Organics Limited Employees' Provident Fund Trust	**85.50**	201.78
Trade payables		
DCM Containers & Engineering Private Limited	**-**	23.54
Kirloskar Corrocoat Private Limited	**-**	1.80
Sitting fees to Indepdendent Directors	**5.94**	4.63
Commission to Independent Directors	**98.84**	112.71
Remuneration to key management personnel	**483.32**	568.95
Total	**588.10**	711.63

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, 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*	-	-	32.80	**32.80**	-	-	-
(ii) Other financial assets*	-	-	592.61	**592.61**	-	-	-
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*	-	-	40.74	**40.74**	-	-	-
(vi) Other financial assets*	58.88	-	13,376.09	**13,434.97**	58.88	-	-
Total	**4,828.46**	**-**	**38,117.11**	**42,945.57**			

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Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (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)#	-	-	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**			

ii. As on March 31, 2022 (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*	-	-	50.02	**50.02**	-	-	-
(ii) Other financial assets*	-	-	475.99	**475.99**	-	-	-
Current							
(i) Investments*							
Debt instrument (Mutual funds)	990.79	-	-	**990.79**	990.79	-	-
(ii) Trade receivables*	-	-	25,495.06	**25,495.06**	-	-	-
(iii) Cash and cash equivalents*	-	-	842.08	**842.08**	-	-	-
(iv) Other bank balances*	-	-	1,885.23	**1,885.23**	-	-	-
(v) Loans*	-	-	5.79	**5.79**	-	-	-
(vi) Other financial assets*	**31.87**	**-**	15,896.34	**15,928.21**	31.87	**-**	**-**
Total	**1,022.66**	**-**	**44,650.51**	**45,673.17**			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	21,257.20	**21,257.20**	-	-	21,257.20
(ii) Lease liabilities*	-	-	1,326.26	**1,326.26**	-	-	-
(iii) Other financial liabilities*	-	-	94.23	**94.23**	-	-	-
Current							
(i) Borrowings#	-	-	33,572.92	**33,572.92**	-	-	-
(ii) Lease liabilities*	-	-	451.40	**451.40**	-	-	-
(iii) Trade payables*	-	-	26,590.42	**26,590.42**	-	-	-
(iv) Other financial liabilities*	-	-	3,237.29	**3,237.29**	-	-	-
Total	**-**	**-**	**86,529.72**	**86,529.72**			

\# 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, 2022 and March 31, 2021.

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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Investments	**1,171.37**	4,769.58
Trade receivables	**25,495.06**	19,676.06
Cash and cash equivalents	**842.08**	2,004.87
Other bank balances	**1,885.23**	2,393.95
Loans	**55.81**	73.53
Other financial assets	**16,404.20**	14,027.58

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the Group. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to outstanding receivables. The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the Group had long standing satisfactory dealings.

The Group's exposure to credit risk for trade receivables is as follows:

	Gross carrying amount	
Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
1-90 days past due *	**755.38**	2,148.91
91 to 180 days past due	**17.55**	43.01
More than 180 days past due #	**36.10**	9.05
Not due	**24,710.90**	17,475.09
	25,519.93	19,676.06

* 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, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Balance at the beginning of the year	**24.87**	29.97
Impairment loss recognised / (reversed)	**-**	(5.10)
Amount written off	**-**	-
Balance at the end of the year	**24.87**	24.87

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.

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. 2,727.30 lakhs as at March 31, 2022 (March 31, 2021 Rs. 4,398.82 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, 2022 Rs. lakhs**	As at March 31, 2021 Rs. lakhs
From banks	**9,674.56**	14,350.88

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, 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	37,087.74	37,087.74	-	-	37,087.74
Lease liabilities	399.15	399.15	-	-	399.15
Trade payables	34,191.37	34,191.37	-	-	34,191.37
Other financial liabilities	2,423.81	2,423.81	-	-	2,423.81
Total	87,484.79	74,102.07	13,092.36	290.36	87,484.79

(Rs. lakhs)

As at March 31, 2022	**Carrying amount**	**Contractual cash flows**			
		0-1 year	**1-5 years**	**More than 5 years**	**Total**
Non-current liabilities					
Borrowings*	**13,206.53**	**-**	**13,157.08**	**49.45**	**13,206.53**
Lease liabilities*	**1,326.26**	**-**	**1,217.79**	**108.47**	**1,326.26**
Other financial liabilities	**94.23**	**-**	**94.23**	**-**	**94.23**
Current liabilities					
Borrowings	**41,623.59**	**41,623.59**	**-**	**-**	**41,623.59**
Lease liabilities	**451.40**	**451.40**	**-**	**-**	**451.40**
Trade payables	**26,590.42**	**26,590.42**	**-**	**-**	**26,590.42**
Other financial liabilities	**3,237.29**	**3,237.29**	**-**	**-**	**3,237.29**
Total	**86,529.72**	**71,902.70**	**14,469.10**	**157.92**	**86,529.72**

* 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, 2022 and March 31, 2021.

(Rs. Lakhs)

Particulars	As at March 31, 2022		
	USD	EURO	GBP
Financial assets			
Trade receivables*	**4,555.05**	**3,467.18**	**-**
Advance to contractors	**21.12**	**6.20**	**-**
	4,576.17	**3,473.38**	**-**
Financial liabilities			
Borrowings	**2,406.49**	**263.21**	**-**
Trade payables	**4,955.88**	**520.94**	**3.43**
	7,362.37	**784.15**	**3.43**

(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
Cash and cash equivalents	-	-	-
	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

* 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, 2022 (previous year ended as on March 31, 2021) 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, 2022				
USD	(27.86)	27.86	(18.13)	18.13
EUR	26.89	(26.89)	17.50	(17.50)
GBP	(0.03)	0.03	(0.02)	0.02
	(1.00)	**1.00**	**(0.65)**	**0.65**
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**

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

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD/INR Sell Forward	130	82	188.24	111.72	14,479.37	8,293.30	-	-
EUR/INR Sell Forward	9	4	22.46	5.95	1,912.25	512.18	-	-
EUR/USD Sell Forward	5	3	13.19	4.77	1,117.52	407.49	-	-
USD/INR Buy Forward	5	3	6.12	4.21	478.13	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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Financial Assets		
Fixed Rate Instruments		
Bank Balances other than Cash & cash Equivalents	**1,885.23**	2,393.95
Loans	**55.81**	73.53
Other Financial assets	**16,404.20**	14,027.58
Total	**18,345.24**	16,495.06
Financial Liabilities		
Fixed Rate Instruments		
Term loans	**10,649.60**	9,136.74
Public Deposits	**940.07**	783.37
Variable-rate instruments		
Term loans	**9,667.52**	8,813.54
Cash Credit	**33,532.49**	29,861.20
Total	**54,789.68**	48,594.85

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, 2022				
Interest on term loans	(96.68)	96.68	(62.89)	62.89
Interest on cash credits	(335.32)	335.32	(218.15)	218.15
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

48. Capital management

For the purpose of the Groups'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 Group manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Group monitors capital structure through gearing ratio represented by debt-equity ratio (Net debt/Total equity). The gearing ratios for the company as at the end of reporting period were as follows:

Particulars	As at March 31, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Borrowings	**54,789.68**	48,594.85
Less : Cash and cash equivalent	**(842.08)**	(2,004.87)
Adjusted net debt (A)	**53,947.60**	46,589.98
Total equity (B)	**67,191.45**	61,687.47
Adjusted net debt to total equity ratio (A/B)	**80.29%**	**75.53%**

49. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

(a) Subsidiary company

The Group's subsidiary at 31 March 2022 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, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021	
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.
DCM Shriram Fine Chemicals Limited	India	**100.00**	-	**-**	-	The entity proposes to engage in business of manufacturing various chemicals.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (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, 2022	As at March 31, 2021	
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, 2022	As at March 31, 2021
Current assets		
Cash and cash equivalents	**54.25**	24.66
Other assets	**2,750.79**	2,685.17
Total current assets	**2,805.04**	2,709.83
Total non-current assets	**277.98**	382.82
Current liabilities		
Financial liabilities	**229.78**	331.58
Other liabilities	**36.67**	39.20
Total current liabilities	**266.45**	370.78
Non-current liabilities		
Other liabilities	**2.98**	1.81
Total non-current liabilities	**2.98**	1.81
Net assets	**2,813.59**	2,720.06

(ii) Reconciliation to carrying amounts

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2022	As at March 31, 2021
Opening net assets	**2,720.07**	3,157.87
Profit/(loss) for the year	**88.16**	(436.75)
Other comprehensive income/(expense)	**5.36**	(1.05)
Closing net assets	**2,813.59**	2,720.07
Group's share in %	**49.28%**	49.28%
Group's share in INR	**1,386.58**	1,340.50
Consolidation adjustments	**(30.96)**	(30.96)
Carrying amount	**1,355.62**	1,309.54

(iii) Summarised statement of profit and loss

(Rs.lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2022	As at March 31, 2021
Revenue from operations	**149.76**	185.96
Other income	**149.49**	117.39
Depreciation and amortisation	**33.39**	30.56
Interest expense	**17.16**	-
Income tax expense	**38.14**	535.08
Profit/(loss) for the year	**88.16**	(436.75)
Other comprehensive income/(expense)	**5.36**	(1.05)
Total comprehensive income/(expense)	**93.52**	(437.80)
Dividends received	**-**	-

50. Disclosure as per Schedule III to the Companies Act, 2013

(Rs.lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent DCM Shriram Industries Limited								
March 31, 2022	**93.83%**	**65,437.61**	**99.10%**	**6,573.59**	**98.57%**	**181.90**	**99.09%**	**6,755.49**
March 31, 2021	95.89%	59,987.00	102.45%	6,588.88	100.41%	128.58	102.41%	6,717.46
Subsidiary Daurala Foods & Beverages Private Limited								
March 31, 2022	**1.87%**	**1,300.90**	**0.63%**	**41.82**	**-**	**-**	**0.61%**	**41.82**
March 31, 2021	2.01%	1,259.08	0.90%	57.73	-	-	0.88%	57.73
Subsidiary DCM Shriram Fine Chemicals Limited*								
March 31, 2022	2.36%	1,646.02	0.39%	(25.62)	-	-	0.38%	(25.62)
Associate DCM Hyundai Limited								
March 31, 2022	**1.94%**	**1,355.62**	**0.65%**	**43.45**	**1.43%**	**2.64**	**0.68%**	**46.09**
March 31, 2021	2.10%	1,309.54	-3.35%	(215.23)	-0.41%	(0.52)	(3.29%)	(215.75)
Total								
March 31, 2022	**100.00%**	**69,740.15**	**100.00%**	**6,633.24**	**100.00%**	**184.54**	**100.00%**	**6,817.78**
March 31, 2021	100.00%	62,555.62	100.00%	6,431.38	100.00%	128.06	100.00%	6,559.44
Adjustment due to consolidation								
March 31, 2022		**2,548.70**		**8.92**		**-**		**8.91**
March 31, 2021		868.15		(44.26)		-		(44.26)
Consolidation Net Asset / Profit after Tax								
March 31, 2022		**67,191.45**		**6,624.32**		**184.54**		**6,808.87**
March 31, 2021		61,687.47		6,475.65		128.06		6,603.71

* Became subsidiary w.e.f. September 29, 2021

51. Research and development expenses amounting to Rs. 311.87 lakhs (March 31, 2021: Rs. 349.18 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 38.63 lakhs (March 31, 2021: Rs. 87.91 lakhs) has been included in property, plant and equipment.

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, 2022**	For the year ended March 31, 2021
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal Amount	**1,263.91**	777.77
- 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 (whic h 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, 2022 (Rs.lakhs)	For the year ended March 31, 2021 (Rs.lakhs)
Subvention on loan interest	Other income	**70.70**	146.15
Interest subsidy in respect of loan at concessional rate	Other income	**228.89**	309.54
Grant for payment of cane dues subject to fulfillment of sugar export obligation and other conditions	Other operating revenue	**273.48**	5,359.68
Duty drawback and other incentive	Other operating revenue	**958.24**	944.40
Subsidy against maintenance of buffer stock	Miscellaneous expense	**-**	73.61
Subsidy against maintainence of buffer stock	Interest expense	**-**	451.96

54. Immovable properties yet to be endorsed in the name of Holding company are as under :

(Rs.lakhs)

Particulars	Amount as on March 31, 2022	Amount as on March 31, 2021	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
Property, Plant and Equipment					
Land situated at Daurala, Uttar Pradesh (UP) and Kota, Rajasthan	844.04 *	844.04 *	No	**1991**	Vested in the Holding company pursuant to a Scheme of Arrangement of erstwhile DCM Limited. (Undisputed)
Land situated at Daurala, UP	44.95	44.95	No	**2005**	Vested in the Holding company pursuant to merger of Daurala Organics Limited under section 391 to 394 of the Companies Act, 1956 in terms of approval of Honorable High Court. (Undisputed)
Total	**888.99**	888.99			

* 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 Holding 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 previous year and therefore presently there is no outstanding demand in respect of these period.

Further, 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. 3,417.52 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. 15,733.25 lakhs (net of amount paid under protest of Rs.3,417.52 lakhs) as at March 31, 2022 (Rs 10,572.51 lakhs as at March 31, 2021). Basis the undertaking from the buyer, the Holding company has recognized reimbursement assets amounting to Rs. 15,550.43 lakhs (net of amount already received of Rs. 3,600.34 lakhs) as at March 31, 2022 (Rs. 9,972.17 lakhs as at March 31, 2021) under "Other financial assets (current)".

The above does not have any impact on the profit of the Holding company.

56. 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, 2022 Rs. lakhs	As at March 31, 2021 Rs. lakhs
Current assets			
Inventories	11	**63,269.61**	66,031.96
Investments	12	**-**	4,769.58
Trade receivables	13	**25,495.06**	19,676.06
Cash and cash equivalents	14	**794.12**	1,985.90
Other bank balances	15	**400.46**	955.25
Loans	16	**3.80**	54.32
Other financial assets	17	**347.62**	3,363.90
Other current assets	18	**3,076.36**	3,429.14
Total (I)		**93,387.03**	1,00,266.11
Non-current asset			
Property, plant and equipment	3	**54,540.25**	47,463.88
Capital work-in progress	3	**3,256.06**	2,353.41
Intangible assets	4	**323.89**	98.55
Intangible assets under development	4	**-**	60.97
Loans	7	**26.75**	501.82
Other financial assets	8	**398.29**	123.59
Income-tax assets (net)	9	**43.69**	1,728.25
Other non-current assets	10	**222.11**	755.90
Total (II)		**58,811.04**	53,086.37
Grand Total (I&II)		**1,52,198.07**	1,53,352.47

57. During the year the Holding company was allotted approx. 20 Acres of Land at Dahej Industrial Area II, Gujarat by Gujrat Industrial Development Corporation (GIDC) for setting up a Chemical Plant. The Board of Directors decided to take up the project in a Special Purpose Vehicle and accordingly a new Company, DCM Shriram Fine Chemicals Limited (DSFCL), was incorporated on September 29, 2021 as a wholly owned subsidiary. The Initial paid up capital of Rs. 1.00 lakh, comprising 50,000 equity shares of Rs. 2 each in DSFCL, fully subscribed by the Holding company. The allotment of land was transferred to the wholly owned subsidiary with the approval of GIDC pending execution of lease deed. The funds for payment towards Land, other assets and expenses including GST thereon will be repaid by the DSFCL by issue of its equity share capital to the Holding company and accordingly, an amount of Rs. 1,670.64 lakhs recoverable as on 31 March 2022, has been shown as "Advances against Share Capital" and included in Note no. 5 "Investment – Non Current".

58. Financial Ratios:

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
(a) Current Ratio	Current assets	Current liabilities	1.2	1.3	-1.8%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.8	0.8	3.7%
(c) Debt Service Coverage Ratio	Earnings available for debt service*	Scheduled Debt Service	1.5	1.6	-0.6%
(d) Return on Equity Ratio	Net Profits after taxes	Average Share-holder's Equity	2.6%	2.8%	-6.6%
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.1	2.0	7.9%
(f) Trade Receivable Turn-over Ratio	Revenue	Average Trade Receivable	9.4	10.2	-7.8%
(g) Trade Payable Turnover Ratio	Purchases and other expenses	Average Trade Payables	5.2	4.8	8.1%
(h) Net Capital Turnover Ratio	Revenue	Working Capital	9.9	8.4	17.2%
(i) Net Profit Ratio	Net Profit	Total Income	3.1%	3.3%	-6.6%
(j) Return on Capital Em-ployed	Earning before interest and taxes	Average Capital Employed #	15.1%	16.9%	-10.2%
(k) Return on Investment	Income generated from investments	Time weighted aver-age investments	3.4%	3.6%	-4.5%

* PBT + Depreciation + Interest on Term Loan - Taxes Paid

Tangible net worth + Long term debt + Deferred tax liabilities

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (continued)

59. Upon approval of the proposal for sub-division of the face value of the equity shares in the Company from Rs. 10 per share to 5 equity shares of Rs. 2 per share at the AGM held on 8 September 2021, the trading in the sub-divided shares was commenced on 8 October 2021 (Ex-date) and accordingly earnings per share has been computed/restated for all the periods presented.

60 During the year 7,00,000 5% Redeemable Non-Cumulative Preference Shares of Rs. 100 each in Versa Trading Limited aggregating to Rs. 700 Lakhs, which were fully impaired in an earlier year, were sold for Rs. 490 Lakhs. Consequently, to that extent, provision for impairment was reversed and included in "Provisions/Liabilities no longer required, written back" in Note 30 "Other Income"

61. Additional Regulatory information:

i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.

ii) The Company does not have any transactions with struck off companies.

iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

viii) The Company has not been declared as a wilful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved.

ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs as part of the Group.

62. The figures of the previous year/periods have been regrouped/reclassified wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

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 : 30.05.2022

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

Place : New Delhi
Date : 30.05.2022

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.	1
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	5,50,89,710
8.	Total assets	12,77,23,461
9.	Total Liabilities	12,77,23,461
10.	Investments	-
11.	Turnover	57,52,720
12.	Profit before taxation	56,29,610
13.	Provision for taxation	14,47,620
14.	Profit after taxation	41,81,990
15.	Proposed Dividend	-
16.	% of shareholding	100%

1.	Sl. No.	2
2.	Name of the subsidiary	DCM Shriram Fine Chemicals Ltd.
3.	The date since when subsidiary was acquired	29th September, 2021
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	1,00,000
7.	Reserves & Surplus	16,45,02,454
8.	Total assets	22,69,36,505
9.	Total Liabilities	22,69,36,505
10.	Investments	-
11.	Turnover	Nil
12.	Profit before taxation	(25,61,506)
13.	Provision for taxation	Nil
14.	Profit after taxation	(25,61,506)
15.	Proposed Dividend	-
16.	% of shareholding	100%

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, 2022
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. - Amount of Investment in Associates/Joint Venture - Extent of Holding %	 19,72,000 Rs. 1,66,00,005/- 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	13,86,58,342/-
7. Profit / Loss for the year i) Considered in Consolidation ii) Not Considered in Consolidation	 43,44,682/- 44,71,343/-

Note : DCM Shriram Fine Chemicals Ltd., a wholly owned subsidiary, is yet to commence operations. No subsidiaries or associate companies have been sold or liquidated during the year.

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

Vineet Manaktala
Director Finance & Chief Financial Officer

Y.D. Gupta
Vice President & Company Secretary

S.B Mathur
Chairman

Alok B. Shriram
Sr. Managing Director

Madhav B. Shriram
Managing Director

Place : New Delhi
Date : 30.05.2022